

2020 PENSIONS ANNUAL REPORT



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28 February 2022

Hon. Prof. M. Ncube

Minister of Finance and Economic Development
6th Floor Block B, Mgandani Dlodlo Building
Corner Samora Machel Avenue/ Simon Muzenda

Harare

Dear Honorable Minister

**SUBMISSION OF THE 2020 ANNUAL REPORT PRODUCED IN TERMS OF SECTION 32 OF
THE PENSIONS AND PROVIDENT FUNDS ACT [CHAPTER 24:09]**

I have the honor to submit, in terms of section 32 of the Pension and Provident Funds Act [*Chapter 24:09*], the Commissioner's report for the year ended 31 December 2020. The report has been compiled from returns lodged with the Commission in terms of the Pension and Provident Funds Act [*Chapter 24:09*].

The delay in producing and submitting the report was due to COVID-19 related disruptions on audits.

Yours sincerely

Grace Muradzikwa

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS

1. Background to Changes in Reporting Template

- 1.1 In November 2020, the Commission issued Circular 26 of 2020, which required pension funds to adopt International Accounting Standard 29 (IAS 29) – Financial Reporting in Hyperinflationary Economies.
- 1.2 In June 2021, the Commission issued Circular 20 of 2021 that revised the reporting template for audited financial statements to align it with IAS 29.
- 1.3 The objective of IAS 29 is to establish specific standards for entities reporting in the currency of a hyperinflationary economy, so that the financial information provided is meaningful.¹
- 1.4 IAS 29 requires that the financial statements of the entity reporting in currency of a hyperinflationary economy be stated in terms of the measuring unit current at the balance sheet date by applying a general price index. Comparative figures for prior periods should be stated in the same current measuring unit.
- 1.5 This change assists in the analysis of the pension funds' financial statements as amounts relating to periods before the reporting date will have been restated to their value as at the reporting date instead of them being wiped out by inflation.
- 1.6 The reporting templates that were contained in the Pension and Provident Funds Regulations, Statutory Instrument 323 of 1991 (Regulations), which were previously applied by pension and provident funds; and fund administrators were no longer relevant to the prevailing environment.

¹ <https://www.iasplus.com/en/standards/ias/ias29>

2. Executive Summary

- 2.1 There were 967 registered funds as at 31 December 2020 compared to 1,067 reported in the same period in 2019. The decrease was mainly on account of funds that dissolved during the year, as well as transfer of small funds from being stand-alone to participating employers under the umbrella arrangements.
- 2.2 The funds were administered through 7 life assurers, 5 dedicated pension fund administering firms and 15 in-house administrators for stand-alone pension funds.
- 2.3 Pension funds' principal membership stood at 881,336, increasing from 808,635 members reported in the same period the previous year.
- 2.4 In addition to the 881,336 principal members, the industry had 32,202 beneficiaries, increasing from 26,289 beneficiaries as at 31 December 2019. Thus, total membership for the industry, including beneficiaries stood at 876 023.
- 2.5 The total membership for the industry, excluding principal pensioners and beneficiaries translated to a pension coverage ratio of 23% of Zimbabwe's estimated labour force of 3.46 million as at 31 December 2020.
- 2.6 The pensions industry had an inflation-adjusted total asset base of ZW\$164.57 billion as at 31 December 2020 compared to the 2019 inflation adjusted of ZW\$129.81 billion.
- 2.7 This asset base translates to an average asset per member of ZW\$187, 860, compared to an average asset per member of ZW\$155,471 reported in the same period in the previous year.
- 2.8 The growth in the industry's assets was mainly driven by investment property and quoted equities, which constituted 54.43% and 26.51% of the industry total assets, respectively.
- 2.9 Pension penetration, measured as a percentage of industry assets to the country's estimated GDP, stood at 15.37% as at 31 December 2020, compared to 6.6% as at 31 December 2019. This is mainly attributable to the fall in the GDP by 0.95% whereas the assets base increased by 20.80% from 2019 to 2020.

2.10 The 2020 inflation-adjusted total income was ZW\$188.28 billion, mainly driven by revaluation gains, which accounted for 50.46% of total industry income.

2.11 Total expenditure in the same period stood at ZW\$46.36 billion, with benefits payments constituting 9.73% of total expenses. The bulk of the expenses were provisions for actuarial liabilities being 52.66% of total expenses and monetary loss as a result of loss of purchasing power constituting 26.61% of total expenses.

3. Global Pensions Industry

3.1 Pension assets exceeded USD 56 trillion worldwide at the end of 2020, a 11% increase compared to end-2019 when they amounted to USD 50.6 trillion. (OECD *Pensions Market in Focus 2021*).

3.2 This was mainly driven by increase in number of people with pension plans in most jurisdictions and a positive average real investment return in 2020.

3.3 Some countries also use other vehicles to save for retirement, which include pension insurance contracts sold by insurance companies or products offered by investment companies.

3.4 Almost all jurisdictions recorded larger amounts of pension assets at the end of 2020 than the year before, despite an initial decline of pension assets in early 2020 due to COVID-19.

3.5 Assets in Defined Contribution and personal plans increased faster than in Defined Benefit plans.

4. Regulatory Developments

Fund Registrations

4.1 A total of 30 new funds were registered during the 12 months ended 31 December 2020. Of the funds registered, 27 were full, whilst 3 were provisional registrations.

Registrations of Redrafted Fund Rules

4.2 In view of the need to align fund rules with changes in legislation and emerging international best practice, the Commission embarked on registration of redrafted rules. As of 31 December 2020, 542 out of the 592 active funds redrafted rules had been registered. Registration of redrafted rules targeting inactive funds commenced with 51 redrafted rules being registered.

4.3 The Commission noted with concern the slow response rate to regulatory concerns raised after assessment of submitted rules which hindered the conclusion of the exercise that was earmarked for finalisation by 31 December 2020. Penalties were imposed on non-compliant entities.

Re-registration of Funds

4.4 In a quest to establish a credible register of funds in the industry, the Commission embarked on an exercise of re-registering all funds. As at 31 December 2020, 586 funds had been re-registered out of the expected 939 funds.

4.5 The issues that emerged from the re-registration exercise include the following:-

- Lost registration certifications – presenting legitimacy concerns on the funds' registration status;
- Lack of IT capacity in some entities to undertake the re-registration exercise; and
- Provisional certificates that expired as far as back as 2014 calling for regularisation.

4.6 A significant number of funds were observed to be inactive and unviable. As a result, administrators and insurers were called upon to apply Circular 16 of 2020 on Resolution on Troubled Entities with the Pensions Industry.

5. Prescribed Assets

5.1 The following instruments were accorded prescribed asset status during the review period: -

Table 1 – Approved Prescribed Assets

ITEM	ISSUER	PURPOSE	AMOUNT	CURRENCY	DATE APPROVED
1	Agribank and FBC Agro Bills	Financing the 2019/20 Agricultural season	100 million	ZW\$	16 Jun 2020
2	Agribank and FBC Agro bills	Financing the 2019/20 Agricultural season	200 million	ZW\$	3 Sep 2020
3	Copper Meadows	Development of residential stand	400 million	ZW\$	6 Jun 2020
4	Datvest – Coutic Investments (Pvt) Ltd	To construct a specialist hospital	3.5 million	USD	3 Sep 2020
5	Guruve Solar Park	Solar Energy Project in Dunavet, Guruve	4.75 million	USD	6 Jun 2020
6	IDBZ	To finance priority infrastructure projects	2 billion	ZW\$	24 Jan 2020
7	IDBZ	To finance priority infrastructure projects	250 million	USD	24 Jan 2020

ITEM	ISSUER	PURPOSE	AMOUNT	CURRENCY	DATE APPROVED
8	IH Advisory/ Innscore Africa Limited	To purchase stock feed for Innscore and Colcom and to finance contract farming	100 million	ZW\$	2 Apr 2020
9	Mazvel Investments (Pvt) Ltd (IDBZ SPV)	Development of residential stands in Mt Pleasant, Harare	10.2 million	USD	3 Sep 2020
10	Northern Farming/CICADA	To support contract farming for the 2020 winter wheat farming season.	150 million	ZW\$	8 May 2020
11	Untu Capital (Additional 40 million on prior amount)	Onward lending finance Micro, Small and Medium Enterprises.	40 million	ZW\$	8 May 2020
12	Whakiwe (Pvt) Ltd (IDBZ SPV)	Development of residential stands in Wils Grove Park, Bulawayo	2.6 million	USD	3 Sep 2020
13	Zimbabwe Electricity Industry Pension Fund	Development of a specialist hospital and specialist psychiatric rehabilitation centre in Harare	4.695 million	USD	22 Oct 2020
14	Nurture BX Genetics	To purchase cattle, train farmers and breed improvement	Equivalent of up to 30 000 livestock units	USD	18 Nov 2020

ITEM	ISSUER	PURPOSE	AMOUNT	CURRENCY	DATE APPROVED
15	New Glovers (Pvt) Ltd	solar Energy Project in Munyati, Kwekwe	8.3 million	USD	18 Nov 2020
16	Untu Capital (Additional 40 million on prior amount)	Onward lending finance Micro, Small and Medium Enterprises.	40 million	ZW\$	18 Nov 2020

5.2 Given the low prescribed asset compliance levels of 5.3%, the industry was urged to invest in approved prescribed assets to reach the minimum required level of compliance.

6. Implementation of the Guideline for the Insurance and Pensions Industry on Adjusting Insurance and Pension Values in Response to Currency Reforms

6.1 Pursuant to the issuance of the Guideline for the Insurance and Pensions Industry on Adjusting Insurance and Pension Values in Response to Currency Reforms, through Statutory Instrument 69 of 2020, the Commission continues to enforce and monitor implementation of the Guideline.

6.2 This is an important guideline, which is meant to ensure that there is equitable distribution of revaluation gains among policyholders and pension fund members arising from currency reforms effected in 2019.

6.3 Penalties were imposed on non-compliant entities for failing to submit the 2019 reports to ensure protection of policyholders and pension scheme members.

7. Capacitation of the Industry

7.1 To ensure improved industry compliance with regulatory requirements, the Commission conducted training sessions with individual entities on various areas.

7.2 Furthermore, an industry-wide workshop was also conducted on filing of returns through the SAP system as well as re-registration of funds.

8. Industry Architecture

8.1 There were 967 registered funds as at 31 December 2020 compared to 1,067 reported in the same period in 2019. The decrease was mainly on account of funds which dissolved during the year as well as transfer of small funds from being stand-alone to participating employers under the umbrella arrangements.

8.2 The funds were administered through 7 life assurers, 5 dedicated pension fund administering firms and 15 in-house administrators for stand-alone pension funds.

8.3 Pension funds' principal membership stood at 881,336, increasing from 808,635 members reported in the same period the previous year.

8.4 In addition to the 881,336 principal members, the industry had 32,202 beneficiaries, increasing from 26,289 beneficiaries as at 31 December 2019. Thus, total membership for the industry, including beneficiaries stood at 876 023.

8.5 The total membership for the industry, excluding principal pensioners and beneficiaries translated to a pension coverage ratio of 23% of Zimbabwe's estimated labour force of 3.46 million as at 31 December 2020, which was an increase from a coverage of 21.95% as at 31 December 2019.

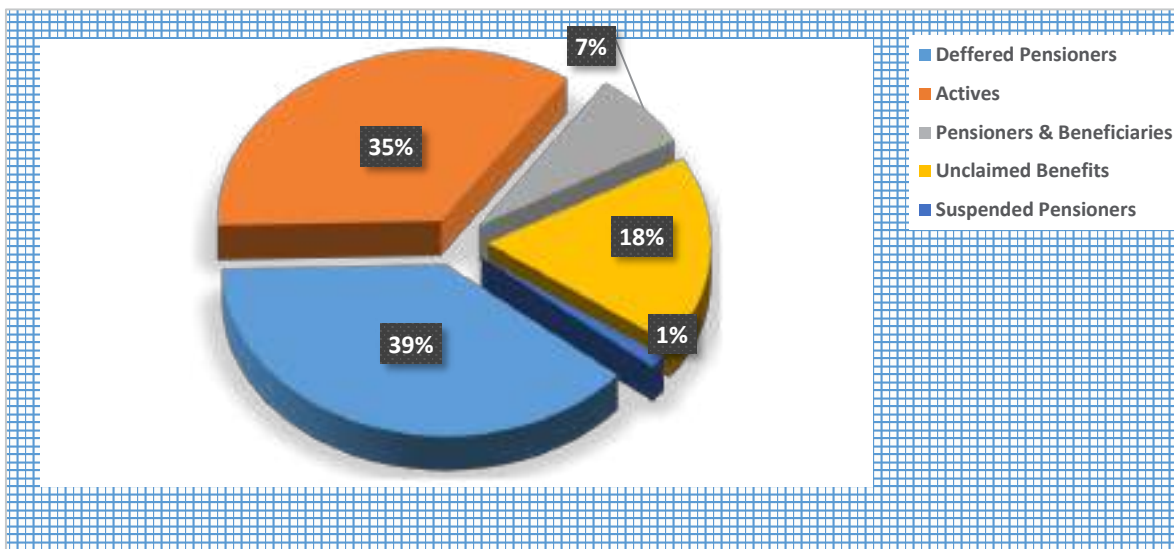
Table 2: Number of Pension Funds and Membership by Sector

Type of Funds	Pension Funds as of 31 December...		Total Membership as at 31 December...	
	2020	2019	2020	2019
Insured	786	884	355,079	327,177
Self- Administered	166	167	118,860	89,008
Stand- Alone	15	16	407,397	392,450
Total Excluding beneficiaries			881,336	808,635
Beneficiaries			23,374	26,289
Total	967	1,067	904,710	834,924

8.6 There was an increase in membership for the 3 administration models from 808,635 members as at 31 December 2019 to 881,336 as at 31 December 2020. The increase in industry membership was mainly as a result of new funds registered by the Commission during the period under review.

8.7 The distribution of membership by status as at 31 December 2020 is shown in the figure below:

Figure 1: Membership Distribution by Status



8.8 As shown above, active members constituted 35% of the industry's membership whilst suspended constituted 39% of membership. The higher percentage of suspended pensioners is mainly due to inadequate communication between pension funds and pensioners, which resulted in suspension of pensioners who failed to submit life certificates.

8.9 Pensioners and beneficiaries constituted a small fraction (7%) of the membership of pension funds. The majority of members are qualifying for full commutation at retirement, which is reflective of the low levels of benefits being realised at retirement. Therefore, the Commission is seized with enforcing various measures to improve benefits.

8.10 Further, there is an increase in applications for full commutations by retirees for the purpose of paying for medical treatment, mortgages and tuition fees for education of members' beneficiaries. The Commission continues to explore ways of preserving value and ensuring sustainability of pensions.

8.11 The higher proportion of members with unclaimed benefits (18%) remains a major cause of concern to the Commission. To this end, the Commission has uploaded the names of members with unclaimed benefits on its website. As such, members are urged to check on the Commission's online portal, and then do the necessary follow ups to collect their benefits.

9. Assets

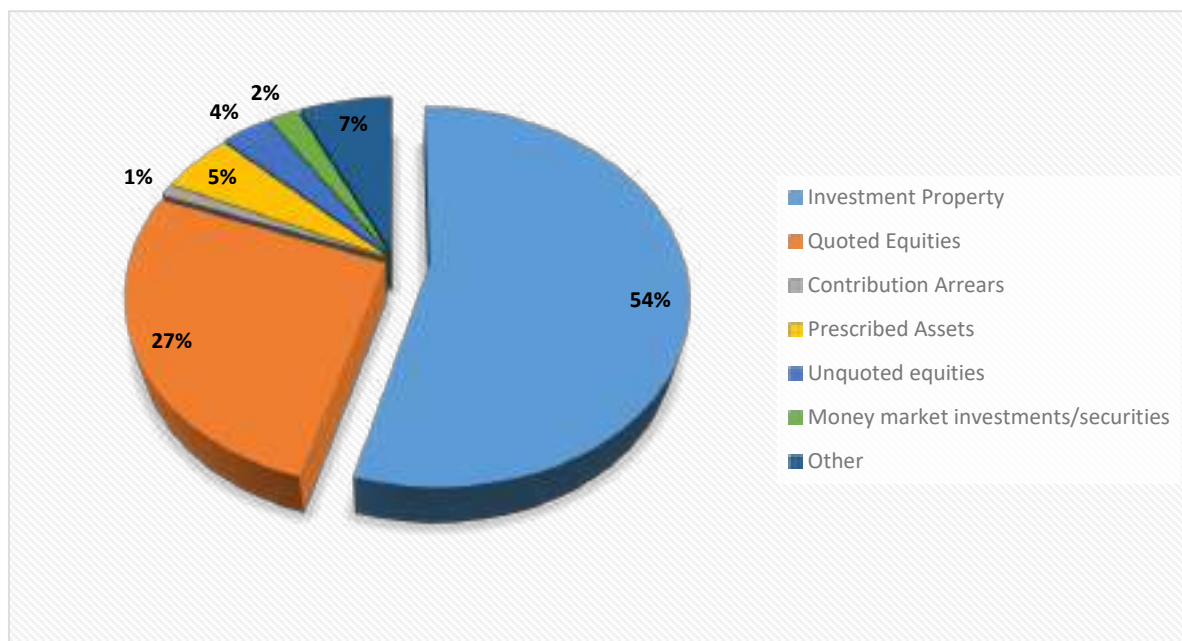
9.1 The pensions industry's total assets grew by 26.77% to ZW\$164.57 billion as at 31 December 2020 from ZW\$129.81 billion as at 31 December 2019. The growth was mainly driven by fair value gains on financial assets.

Table 3: Pension Industry Assets

	Inflation 2020 (ZW\$)	Adjusted	Inflation 2019 (ZW\$)	Adjusted
Investment Property	89,576,088,231.15		62,968,479,157.20	
Quoted Equities	43,624,612,327.27		21,111,072,963.78	
Contribution Arrears	1,642,312,057.40		1,807,418,653.83	
Prescribed Assets	8,799,646,435.78		3,572,530,029.63	
Unquoted equities	6,045,350,138.63		18,644,875,481.86	
Money market investments/securities	3,546,247,940.71		3,027,776,752.41	
Other	11,335,654,936.70		18,674,472,684.94	
Total	164,569,912,067.64		129,806,625,723.66	

9.2 The total assets of the industry were invested as depicted in table 3 above and figure 2 below:

Figure 2: Distribution of industry Assets



9.3 As shown in figure 1 above, investment property commanded 54% of the industry assets as at 31 December 2020, being the largest asset class as at the reporting date.

9.4 Quoted equities, on the other hand, commanded 27% of total assets, having registered 107% increase from ZW\$21.14 billion the previous year.

9.5 For the period under review, the industry had ZW\$8.77 billion invested in prescribed assets, constituting 5% of the industry total assets. The investment in prescribed assets, which was an increase from 2.43% as at 31 December 2019, was due to an increase in number of prescribed assets on the market as more private projects were granted prescribed asset status by the Ministry of Finance and Economic Development and industry invested.

9.6 The prescribed asset ratio continued to be below the regulatory minimum of 20%. Though investments in prescribed assets recorded the highest increase across the asset classes, the low compliance level remains a cause for concern.

9.7 Confidence in the other asset classes, highlighted in the above pie chart, is low as their investment returns are below the inflation rate.

9.8 Contribution arrears amounted to ZW\$1.64 billion down from \$1.81 billion reported in the previous period. These arrears constituted 1% of total assets and the stand-alone section continued to host the greatest portion of the industry's arrear contributions with a holding of 84.20% up from 83.07%. The Commission, therefore, calls upon the trustees of these pension funds to ensure that they pursue all legal means as stipulated in the Guidance Paper to recover the contribution arrears.

10. Liabilities

10.1 Total industry liabilities amounted to ZW\$163.13 billion, with reserves amounting to ZW\$116.10 billion constituting 71.17% of the total liabilities. Benefit provisions for active members and pensioners amounting to ZW\$42.50 billion, constituted 26.06% of total liabilities.

10.2 The industry had arrear pension benefits of ZW\$3.01 billion, of which 98.21% million were attributable to Stand-Alone pension funds. A summary of the total liabilities in the industry is shown on Table 4 below:

Table 4: Liabilities

	Self Admin	Standalone	Insured	Total
Reserves	38,734,638,679.81	23,383,410,167.00	53,980,147,580.29	116,098,196,427.10
Provisions	1,299,866,304.28	38,308,007,425.00	2,895,551,740.75	42,503,425,470.03
Creditors	490,796,856.70	247,868,527.00	12,655,687.66	751,321,071.36
Arrear Pension Benefits	53,742,639.00	2,954,010,817.00	4,600.53	3,007,758,056.53
Unclaimed Benefits	39,226,862.00	148,680,173.00	12,635,941.77	200,542,976.77
Other Liabilities	78,366,318.48	372,180,583.00	113,374,178.55	563,921,080.03
Total Liabilities	40,696,637,660.27	65,414,157,692.00	57,014,369,729.54	163,125,165,081.81

11. Earnings

11.1 Total income for the period under review amounted to ZW\$188.28 billion.

The income was mainly driven by fair value gains, which accounted for 50.46% of total income. Contributions accounted for 9.63% of total income

11.2 Total expenditure amounted to ZW\$46.36 billion for the year to 31 December 2020. The split between benefit payments and administrative expenses was ZW\$4.51 billion and \$41.85 billion, respectively.

11.3 Of the administrative expenses, ZW\$12.34 billion was monetary loss as a result of loss of purchasing power of the net monetary position.

11.4 The pensions Industry reported a total surplus of ZW\$141.38 billion for the period under review. However, the surplus was driven by unrealised gains.

11.5 Investment income constituted 11.14% of the industry's total income. The proportion of investment income to total assets was 12.57% which represents the rate at which assets are actively generating income.

Table 5: Income Distribution

Income	2020 inflation adjusted	2019 inflation adjusted	Percentage Change
Contributions	18,128,473,191.30	8,051,710,185.92	125%
Interest on contribution arrears	21,415,158.32	18,928,679.21	13%
Amounts received on life insurance claims	52,205,458.51	22,907,810.92	128%
Amount transferred from other funds	161,153,740.12	577,509,452.98	-72%
Investment income	20,988,199,042.05	86,041,818,195.96	-76%
Gain on re-measurement of investment property	21,407,497,301.19	-2,234,134,747.43	-1058%
Fair Value Gain on financial assets	73,593,839,554.71	56,232,471,798.90	31%
Net surplus on sale /redemption of investments	2,212,432,217.16	2,373,321,855.26	-7%
Other Income	51,718,790,202.36	4,281,232,387.48	1108%
TOTAL INCOME	188,284,005,865.73	155,365,765,619.20	21%

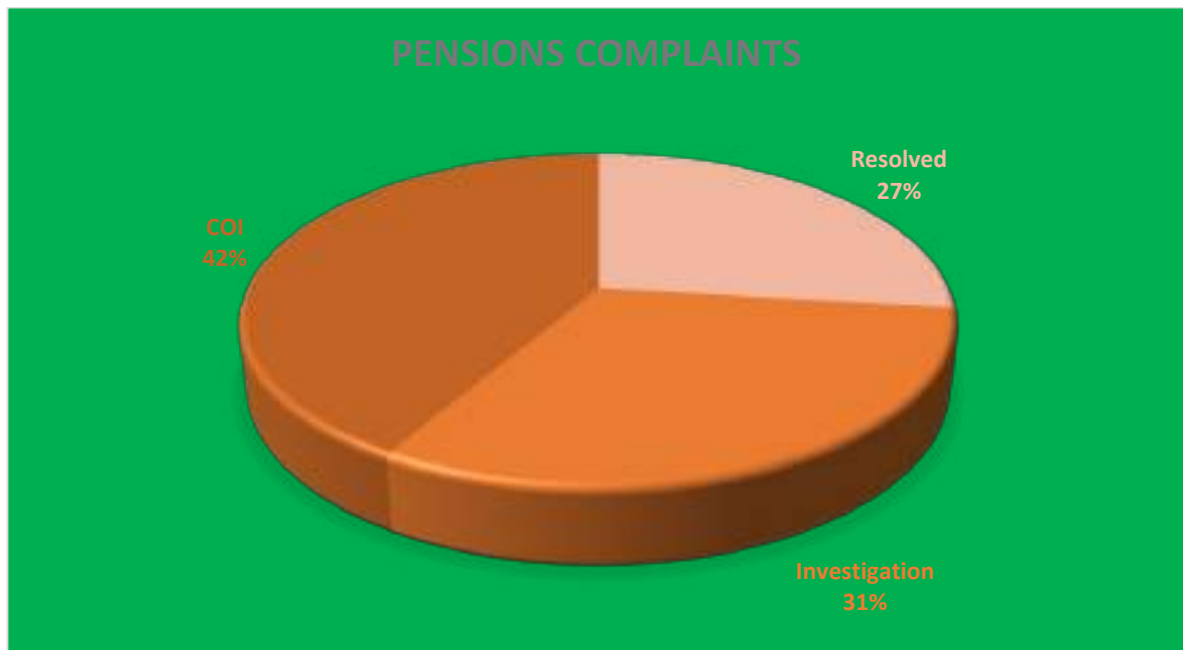
12. Challenges in the Pension industry

- 12.1 Legacy issues relating to the loss of value due to currency reforms of 2009 continued to dog the industry in the period under review.
- 12.2 The Commission is seized with the issue of bringing closure to the compensation for the pre-2009 loss of value and guiding the industry in response to the 2019 currency reforms.
- 12.3 The perennial problem of poor data integrity remains a big challenge in the pensions industry, which has not yet fully addressed the need to update member details to ensure that data submitted to the Commission is accurate and complete.
- 12.4 Re-registration of pension funds and enhanced focus on management information systems within the industry are some of the measures put in place in the year under review to improve the quality of data.

13. Pensions Complaints

- 13.1 In the year under review, the Commission received a total of 625 complaints, out of which 168 were resolved, 197 were under investigation and 260 related to compensation recommended by the Justice Smith-led Commission of inquiry.
- 13.2 Those under investigation related to unremitted contributions, additional information required from pensioners and investigations by pension funds on payments made through cheques submitted to members' former employers, as well as searching archives for legacy complaints.
- 13.3 The bulk of cases that remained outstanding related to non-remittance of contributions by employers and low values at conversion in 2009. Those to do with non-remittance were at various stages of resolution as some employers have submitted payment plans to respective fund administrators whilst others have resorted to making part payments.
- 13.4 The graph below summarises the breakdown of the complaints as explained above:

Figure 3: Pensions Complaints



13.5 The major issues leading to high number of complaints during the year under review were: -

- i. Non-payment or late payment of pension benefits.
- ii. Low values caused by hyperinflation and dollarisation in February 2009.
- iii. Contribution arrears, mostly since 2009.
- iv. Stagnant monthly pensions that have been eroded by inflation.

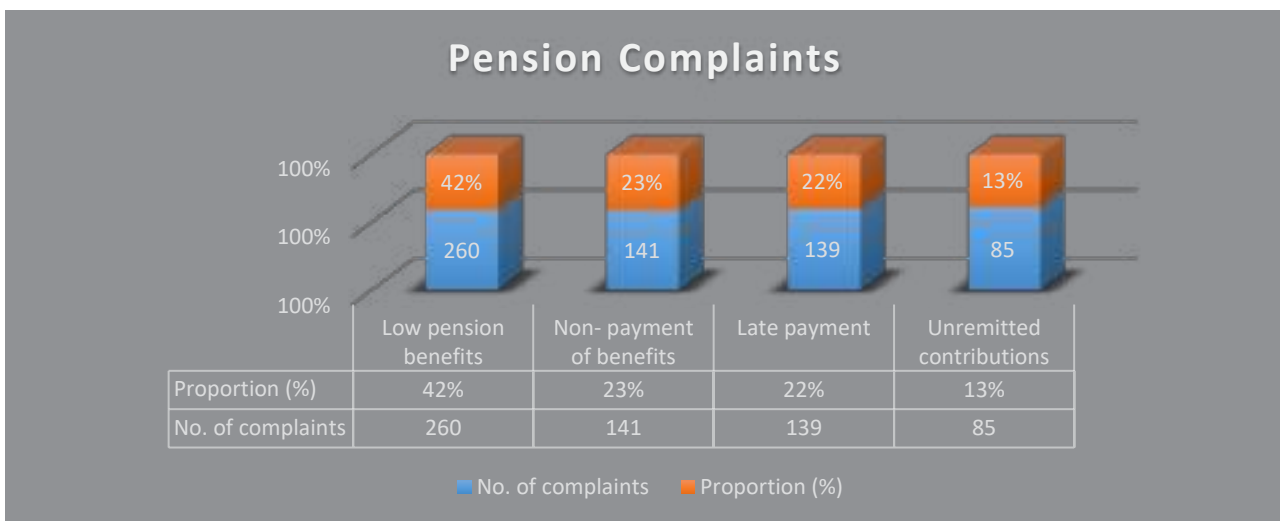
13.6 Complaints relating to unremitted contributions constituted 13% of the total complaints received in the period under review.

13.7 Late payment of benefits is another category of complaints, accounting for 22%, while non-payment of benefits accounted for 23% of the complaints in the year ended 31 December 2020.

13.8 The graph below shows that 42% of the complaints related to low pension values occasioned by the currency conversion of 2009 and the change in currency in 2019. Most pensioners are following up on the Commission of Inquiry recommendations and the treatment of USD contributions between 2009 and 2019.

13.9 The Commission continues to encourage pension funds to follow up on payment plans agreed with sponsoring employers who have outstanding contributions.

Figure 4: Types of Pension Complaints



13.10 Trustees should ensure that annual benefit statements are submitted to members so that they are aware of their benefits status and contribution arrears, if any.

13.11 Other complaints related to the delays in processing of benefits by pension funds, mostly owing to inadequate information on the part of beneficiaries.

13.12 Pension fund members are advised to regularly update their details, particularly contact details as well as their nominated beneficiaries.

13.13 Feedback received from members of the public indicates that the search engine has allowed them to claim their benefits after establishing that they had benefits due to them that had remained unclaimed for years

13.14 The Commission remains seized with bringing finality to the pre-2009 compensation to address complaints relating to compensation. A roadmap was developed and shared with all stakeholders.

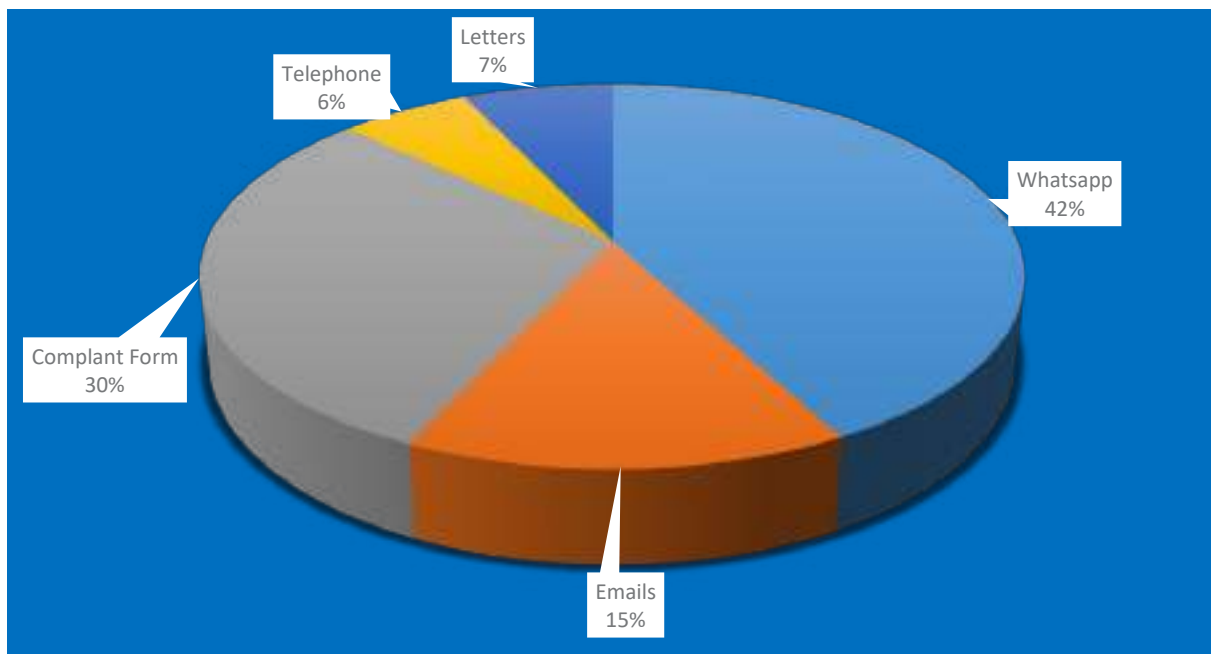
14. Channels of Submitting Complaints

14.1 The curtailment of movement of people in the year under review meant that clients had to use online channels and social media platforms for communication.

14.2 The publicisation of the IPEC WhatsApp platform resulted in more members of the public using same to lodge complaints.

14.3 It was observed that most complaints were submitted via the WhatsApp platform, followed by complaints forms, emails, letters and lastly via telephone as depicted in the graph below:

Figure 5: Channels of Lodging Complaints



15. Conclusion

14.4 In spite of the challenges brought about by the Covid 19 pandemic, the Commission acknowledges the cooperation received from all stakeholders to ensure business continuity in the industry.

14.5 The Commission remains open for engagement with the industry to ensure that it effectively executes its key mandate of protecting the interests of the policyholders and pension fund members.

14.6 Regulatory intervention, where need be, will be instituted to ensure that regulatory expectations are met and those not acting in the best interest of the fund members and policyholders, are engaged timeously to avoid systemic risk.

14.7 The Commission will continue to work closely with Government and industry partners to adapt to the changing circumstances of the environment we operate in, driven by the goal of developing and strengthening the industry as we strive towards a safe, vibrant and sustainable insurance and pensions industry by 2025.



Annexure 1: Consolidated Statement of Comprehensive Income for the years ended 31 December 2019 and 31 December 2020

	SELF ADMINISTRATION PENSION FUNDS				STAND ALONE PENSION FUNDS				INSURED PENSION FUNDS			
	Inflation Adjusted		Historical		Inflation Adjusted		Historical		Inflation Adjusted		Historical	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million
INCOME												
Contributions	2,903.07	2,712.69	1,954.43	303.57	11,315.15	3,227.33	2,061.86	289.81	3,910.26	2,111.69	1,739.99	327.97
Interest on contribution arrears	1.01	2.57	0.74	0.25	-	-	-	-	20.41	16.36	12.96	1.61
Amounts received on life insurance claims	52.07	22.54	34.60	2.10	0.14	0.37	0.12	0.28	-	-	-	-
Amount transferred from other funds	156.11	579.52	139.38	40.31	(2.10)	(2.02)	(0.80)	(0.27)	7.15	0.01	6.47	0.00
Investment income	5,528.37	2,132.33	3,766.13	582.74	13,327.61	4,059.04	7,900.70	1,904.84	2,132.22	79,850.45	1,545.00	6,226.35
Gain on re-measurement of investment property	3,781.96	1,336.41	3,090.55	566.28	-	-	-	-	17,625.53	(3,570.54)	20,849.56	467.39
Fair Value Gain on financial assets	19,882.81	13,725.79	23,801.63	2,918.62	31,876.51	34,881.36	39,875.06	7,956.70	21,834.52	7,625.33	21,712.54	606.74
Net surplus on sale /redemption of investments	2,212.43	2,373.32	1,456.93	164.08	-	-	-	-	-	-	-	-
Other Income	979.15	1,286.17	929.53	229.43	2,019.56	2,706.59	1,696.53	346.90	48,720.08	288.47	1,762.09	58.61
TOTAL INCOME	35,496.97	24,171.34	35,173.91	4,807.38	58,536.87	44,872.66	51,533.46	10,498.25	94,250.17	86,321.76	47,628.61	7,688.67
EXPENDITURE												
Benefits paid												
Pensions	776.49	760.21	534.13	72.96	722.27	1,144.98	513.92	89.49	388.97	430.14	239.11	40.78
Lump sum awards on death	76.04	79.88	59.14	5.91	14.81	32.85	9.47	3.02	72.96	91.46	51.14	7.36
Lump sum awards on withdrawal/ resignation	321.02	356.91	197.71	26.33	139.04	290.06	101.34	23.55	486.62	389.80	183.77	20.80
Lump sum awards on retirement and retrenchment	234.09	435.34	125.48	59.54	2.53	4.22	1.83	0.94	155.93	185.03	106.76	25.14
GLA Premiums Paid	240.72	149.64	187.20	17.80	0.05	2.38	0.02	0.32	-	-	-	-
Other benefits paid	231.62	25.14	185.51	(8.41)	0.31	11.38	0.29	2.54	649.46	392.32	360.84	40.25
Sub total	1,879.97	1,779.84	1,289.17	174.14	879.00	1,485.85	626.87	119.85	1,753.94	1,488.75	941.62	134.33
Staff costs	25.09	27.87	16.30	2.48	269.64	240.79	193.29	22.50	-	-	-	-
Premium Paid on life assurances	-	-	-	-	-	-	-	-	1,888.57	62.99	81.50	13.97
Other Administration Expenses	170.19	154.86	114.10	16.20	298.58	315.46	232.73	32.27	157.86	155.52	97.64	52.03
Investment expenses	116.84	157.69	78.87	14.10	-	-	-	-	638.23	544.82	430.84	24.78
Property expenses	35.50	31.76	23.76	3.86	16.00	37.37	6.61	2.98	0.27	0.15	0.20	0.10
Audit fees	32.00	15.83	18.15	2.70	16.83	18.77	11.83	2.40	3.77	13.41	3.09	3.10
IPEC Levies	7.08	8.38	4.77	0.86	26.59	10.74	17.05	0.69	13.01	8.96	5.59	0.82
Actuarial Fees	16.59	7.41	7,690.11	1.07	17.48	10.56	12.58	1.46	9.31	24.12	7.63	5.38
Board fees	2.68	2.79	2.09	0.25	30.59	49.40	22.84	5.46	1.96	3.62	1.61	0.59
Net loss on sale/redemption of assets and investments	1,120.70	1,745.82	1.91	1.33	-	-	-	-	-	-	-	-
Amortisation,depreciation and impairment of assets	94.53	299.33	1.88	0.22	-	-	-	-	-	-	-	-
Sundry expenses	14.62	17.74	9.97	1.56	63.39	63.54	36.24	6.53	11.35	0.33	9.30	1.03
Other Expenses	2,879.94	4,396.27	111.68	23.67	21,108.88	2,605.40	18,621.86	606.09	423.53	184.64	242.05	31.09
Monetary loss /gain	10,307.87	17,713.76	296.20	0.02	44,092.68	13,825.44	-	0.10	(42,065.74)	(33,873.86)	(4.35)	1.14
TOTAL EXPENSES	16,703.60	26,471.93	9,658.95	242.46	66,819.66	18,663.32	19,781.91	800.32	(37,163.93)	(31,386.55)	1,816.73	268.35
Other comprehensive Income	(549.00)	(267.72)	571.06	118.74	-	-	-	-	-	-	-	-
SURPLUS/DEFICIT FOR THE YEAR	18,244.37	(4,461.07)	26,086.02	4,683.66	(8,282.79)	26,209.34	31,751.55	9,697.93	131,414.10	117,708.31	45,811.88	7,420.33

Annexure 2: Consolidated Industry Statement of Financial Position for the year ended 31 December 2019

	SELF ADMINISTRATION PENSION FUNDS Inflation Adjusted				STAND ALONE PENSION FUNDS Inflation Adjusted				INSURED PENSION FUNDS Inflation Adjusted			
	Historical		Historical		Historical		Historical		Historical		Historical	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million	ZW\$ Million
ASSETS												
Operating Assets												
Property	340.57	353.80	272.69	62.68	513.25	214.89	410.61	73.23	-	-	-	-
Motor Vehicles	1.23	0.02	1.23	0.02	47.67	31.08	22.68	1.98	-	-	-	-
Furniture and equipment	-	-	-	-	35.44	29.69	8.63	1.29	-	-	-	-
Computer systems and hardware	0.13	0.02	0.13	0.00	42.81	46.89	12.26	3.45	-	-	-	-
Sub total	341.93	353.84	274.05	62.70	639.18	322.55	454.18	79.95	-	-	-	-
Non current investment assets												
Investment Property	12,963.10	9,144.78	13,111.78	2,330.55	49,884.65	47,478.57	49,884.65	10,124.93	26,728.33	6,345.13	26,318.62	1,414.03
Quoted Equities	13,936.37	6,504.48	12,942.02	1,501.25	9,969.48	5,168.89	9,969.48	1,111.48	19,718.77	9,437.70	19,718.77	2,151.99
Unquoted equities	1,650.25	1,031.67	1,767.59	240.58	409.62	747.46	409.62	162.53	3,985.48	16,865.74	3,945.95	3,752.49
Prescribed Assets-government bonds	1,851.06	1,382.14	1,847.82	303.51	114.08	225.99	114.08	37.43	4,428.06	123.60	4,428.06	27.55
Other prescribed assets	1,967.82	1,522.41	1,976.90	334.70	264.99	120.76	264.99	39.49	-	-	-	-
Fixed interest securities (bonds & Debentures)	1,297.15	1,332.39	1,510.30	268.07	55.19	27.27	55.19	6.08	102.37	7,774.66	102.39	1,737.09
Loans and mortgage on property	221.42	139.23	222.09	33.82	158.39	362.34	158.39	80.77	-	-	-	-
External Assets	-	-	-	-	-	-	-	-	-	-	-	-
Long term deposits	8.63	8.08	-	1.80	1.05	2.76	1.05	0.62	-	1,848.54	-	412.08
Guaranteed funds	2,355.51	1,870.07	2,355.51	446.57	164.74	164.50	164.74	36.65	-	-	-	-
Staff loans and mortgages	6.18	23.04	6.17	5.14	62.32	184.42	62.32	40.64	-	-	-	-
Other non-current assets	2,587.76	1,814.42	2,419.98	365.19	1,061.15	512.45	1,039.41	110.28	-	-	-	-
Sub total	38,845.26	24,772.74	38,160.17	5,831.19	62,145.65	54,995.43	62,123.91	11,750.90	54,963.01	42,395.36	54,513.79	9,495.23
Current Investment assets												
Prescribed assets-government bonds	112.42	113.00	114.75	25.77	13.11	3.33	13.11	0.74	0.06	0.18	0.03	0.04
Other prescribed assets	32.28	36.61	73.80	8.16	15.77	44.51	15.77	10.50	-	-	-	-
Fixed interest securities (Bonds & Debentures)	104.24	75.40	104.45	2.13	-	-	-	-	-	0.09	0.01	0.02
Loans and mortgage on property	305.70	212.47	305.70	47.36	9.74	11.00	9.74	2.92	-	-	-	-
External assets	3.14	1.12	3.18	0.25	-	-	-	-	-	-	-	-
Money market investments/securities	176.56	320.19	169.39	71.72	165.52	214.91	165.52	47.90	59.81	36.28	78.30	33.98
Guaranteed funds	134.72	250.27	134.73	55.79	149.94	135.36	149.94	30.18	-	-	-	-
Cash at bank	1,038.87	821.23	1,047.26	209.18	408.41	363.05	408.41	80.94	1,697.08	1,272.12	1,678.60	285.55
Other current assets	940.90	572.76	917.92	88.53	-	-	-	-	-	-	-	-
Sub total	2,848.83	2,403.05	2,871.19	508.28	762.49	772.17	762.49	173.18	1,756.95	1,308.67	1,756.95	319.59
Sundry debtors/receivables	-	-	-	-	-	-	-	-	-	-	-	-
Contribution Arrears	213.12	249.97	209.70	53.62	1,382.90	1,501.36	1,382.90	334.96	46.29	56.09	45.38	12.33
Rental Arrears	25.05	15.53	25.72	3.46	144.63	100.23	144.63	18.92	3.10	0.27	1.52	0.06
Other receivables	112.20	201.43	113.34	45.51	339.31	357.95	237.25	54.58	-	-	-	-
TOTAL ASSETS	42,386.40	27,996.55	41,654.18	6,504.76	65,414.16	58,049.68	65,105.36	12,412.50	56,769.35	43,760.39	56,317.64	9,827.21
LIABILITIES												
Reserves/accumulated fund	38,734.64	26,007.92	38,452.91	6,093.94	23,383.41	33,224.26	23,083.50	7,260.48	53,980.15	42,152.25	53,633.01	9,278.17
Provision for active members	231.05	140.65	345.87	31.35	16,933.43	7,236.72	16,933.43	1,472.36	1,995.22	1,044.46	1,933.50	427.54
Provision for pensioners	392.99	202.61	159.15	21.86	14,265.85	10,545.65	14,265.85	2,161.27	95.10	98.65	94.38	24.38
Provision for deferred pensioners	346.14	244.28	346.71	55.42	2,233.37	1,966.04	2,233.37	379.44	493.79	302.35	464.15	71.17
Provision for suspended pensioners	-	-	-	-	1,260.12	572.89	1,260.12	127.71	4.14	2.87	4.08	0.63
Other provisions	329.69	463.58	564.26	114.65	3,615.24	2,841.73	3,615.24	633.48	307.31	21.08	298.56	13.62
Unclaimed benefits	39.23	35.58	40.35	6.36	148.68	122.88	148.68	27.32	12.64	10.23	12.52	2.94
Pending exits	63.62	41.25	63.62	9.33	46.21	64.36	46.21	14.35	112.49	9.93	108.90	6.51
Contribution Arrears	12.52	4.41	12.57	0.98	281.24	474.91	281.24	105.87	0.89	4.82	0.89	1.07
Rental arrears	1.37	2.65	1.41	0.59	41.64	31.08	41.64	6.93	-	-	-	-
Depreciation and amortisation	0.85	0.52	0.85	0.12	3.10	6.95	3.18	1.55	-	-	-	-
Arrear pension benefits	53.74	27.32	53.83	5.64	2,954.01	649.43	2,954.01	144.77	0.00	0.19	0.00	0.04
Other creditors	490.80	229.87	491.45	53.63	247.87	312.79	238.89	76.95	12.66	469.22	12.66	216.89
TOTAL LIABILITIES	40,696.64	27,400.63	40,532.98	6,393.87	65,414.16	58,049.68	65,105.36	12,412.47	57,014.37	44,116.07	56,562.65	10,042.97