



2023

PENSIONS

ANNUAL REPORT





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19 March 2025

Hon. Prof. M. Ncube

Minister of Finance, Economic Development and Investment Promotion

6th Floor Block B

Mgandani Dlodlo Building

Corner Samora Machel Avenue/ Simon Muzenda

Harare

**SUBMISSION OF THE 2023 ANNUAL REPORT PRODUCED IN TERMS OF SECTION 53
OF THE PENSIONS AND PROVIDENT FUNDS ACT [CHAPTER 24:32]**

I have the honor to submit, in terms of section 53 of the Pension and Provident Funds Act [Chapter 24:32], the Commissioner's report for the year ended 31 December 2023. The report has been compiled from returns lodged with the Commission in terms of the Pension and Provident Funds Act [Chapter 24:32].

Yours sincerely



Grace Muradzikwa

COMMISSIONER OF INSURANCE, PENSION AND PROVIDENT FUNDS

Acknowledgements

The Commission wishes to express its sincere gratitude to the Ministry of Finance, Economic Development and Investment Promotion, the Board and the staff for their contributions and support in regulating the pensions industry. In addition, we appreciate the pensions industry's cooperation and support in producing this report.

What is the Insurance and Pensions Commission?

The Insurance and Pensions Commission (IPEC) is an independent statutory body established in terms of the Insurance and Pensions Commission Act [Chapter 24:21] with a mandate to regulate and supervise the insurance and private pension funds activities in Zimbabwe.



Vision

A safe, vibrant and sustainable insurance and pensions industry by 2025.



Mission

To regulate, supervise and develop the insurance and pensions industry for the protection of policyholders and pension scheme members through regulatory excellence.



Core Values

The organisational culture at IPEC is shaped by the following shared core values:

- i. **Professionalism:** We are professional in the way we conduct ourselves and carry out our business.
- ii. **Accountability:** We shall endeavour to conduct ourselves and operate business transparently while exercising prudence in the use of public resources entrusted to IPEC.
- iii. **Fairness:** We shall develop and apply rules, regulations and procedures equitably among all clients and stakeholders.
- iv. **Integrity:** We are fair, ethical and honest in our dealings with all our stakeholders, we apply agreed policies equally to all and maintain the highest personal, professional and ethical conduct.
- v. **Excellence:** We are exemplary in the way we do our business. We strive to exceed expectations by upholding the utmost quality standards in carrying out our work. The Commissioner and all staff have a unity of purpose in the core values that they each uphold, as individuals and as a team.

Bankers

First Banking Corporation Limited and CBZ Bank Limited

Lawyers

Sawyer and Mkushi Legal Practitioners, 11th Floor Social Security Centre, Parklane, Harare

Mvingi and Mugadza Legal Practitioners, 7th Floor, Pegasus House, 52 Samora Machel Avenue, Harare

External Auditors

Nolands Harare, Chartered Accountants, 7 Glenara Avenue South, Cnr. Samora Machel Avenue, Eastlea, Harare

Board of Directors

Mr. A. J. Nduna (Board Chairperson)

Mrs. A. Mashingaidze (Vice Chairperson)

Mrs. J. Rusike, Member

Mr. D. Mureriwa, Member

Mr. G. Nyengedza, Member

Mr. C. Muzondo, Member

Mrs. D. Shinya, Member

Mrs. G. Muradzikwa (Ex-Officio – Commissioner)

Terms of Reference

The activities of the Commission are guided by the following Acts and their respective regulations:

- Insurance and Pensions Commission Act [Chapter 24:21]
- Pension and Provident Funds Act [Chapter 24:32]
- Insurance Act [Chapter 24:07]
- Money Laundering and Proceeds of Crime Act [Chapter 09:24]
- Finance Act [Chapter 23:04]
- Public Entities and Corporate Governance Act [Chapter 10:31]
- Public Finance Management Act [Chapter 22:19]
- Public Procurement and Disposal of Public Assets Act [Chapter 22:23]

Key Result Areas

The following three key result areas form the pillar of the Authority's 2022-2025 strategic plan:

1. Regulation and Supervision

The Commission aims to offer financial and technical assistance, as well as advisory and policy guidance to the insurance and pension industry. To realise this, the Commission has set out the following objectives:

- i. To improve corporate governance
- ii. To improve compliance

2. Institutional capacity development

The Commission aims to provide high quality services while optimising efficiency and effectiveness through:

- i. HR outcome
- ii. Sustainable funding
- iii. Increased internal controls and compliance
- iv. Digital transformation
- v. Increased visibility

3. Facilitation of growth and capacity

To assist the industry in growth and capacitation, the Commission has set up the following objectives:

- i. Increased financial soundness and consistent policies
- ii. Focus on industry growth

1. Definition of Terms

Insured Fund – These are funds whose contributions are used to buy assets, which are registered in the name of the insurer managing the fund and not the pension fund itself.

Self-Administered Funds – For the purposes of this report, self-administered funds are those pension funds, which are managed by fund administrators or insurers, but their assets are registered in the respective names of the funds.

Stand-Alone Funds – These are self-managed funds, which own and control their administration structures by having their own employees manage the fund.

Inactive Fund – A fund that is not receiving contributions from the sponsoring employer(s) and/or members of the fund or a fund that is in paid-up status or undergoing dissolution.

Active Member – A member who is actively making contributions in terms of the fund rules and includes a member who is on contribution holiday for an agreed period.

Beneficiary – A person other than a contributing member of a fund who is entitled, in terms of the rules of the fund, to receive benefits from the fund upon the occurrence of a specific event and whose entitlement arises on account of a relation with the contributing member.

Deferred Pensioner – A member who is no longer eligible to make contributions to the fund on account of having left the employ of the participating employer(s) or who has ceased contributing to the fund before the date of entitlement to benefits specified in the rules of the fund and whose benefits are preserved within the fund until the member attains the retirement age.

Members with Unclaimed Benefits – Members of a fund who have not claimed their benefits when they were entitled to receive such benefits and cannot be located by the fund.

Pensioner – a person in receipt of pension benefits from a pension fund.

Pension Fund Member – Any person who is a member of that fund in terms of the rules thereof.

Suspended Pensioner – A pensioner whose pension benefits are withheld by the pension fund on account of not providing proof of existence.

Surplus/ Deficit – Indicates that the fund has more assets than liabilities and vice versa for a deficit.

Contribution Arrears – these are contributions which have fallen due to the fund but have not yet been remitted by the sponsoring employer.

2. Executive Summary

- 2.1. There was a total of 965 private occupational pension schemes as at 31 December 2023 compared to 981 reported in 2022. This decrease is attributed to mergers and dissolutions that occurred throughout the year.
- 2.2. The funds were managed by eight life insurers, five independent fund administrators, and 14 in-house administrators of stand-alone pension funds.
- 2.3. Fund membership increased to 940,712, from 928,321 reported as at 31 December 2022.
- 2.4. The increase in principal members was driven by new entrants under existing funds and newly registered schemes.
- 2.5. As at 31 December 2023, the number of beneficiaries was 26,597 an increase from 25,565 reported in the comparative period. Consequently, the total industry membership, including beneficiaries, stood at 967,309.
- 2.6. Excluding principal pensioners and beneficiaries, the total industry membership translated to a pension coverage ratio of 23% of Zimbabwe's estimated workforce of 4 million as of 31 December 2023.
- 2.7. The pensions industry's asset base reached ZW\$16.2 trillion (US\$2.65 billion) as at 31 December 2023, up from ZW\$1.59 trillion (US\$2.33 billion) in 2022. The assets were converted to US\$ equivalents using the closing rate for the periods.
- 2.8. This asset base translates to average assets per member of ZW\$17.2 million (US\$2,821). In 2022, the average assets per member were ZW\$1.72 million (US\$2,514).
- 2.9. The growth in the asset base was primarily driven by investment property and quoted equities, which constituted 56% and 16% of the total assets, respectively.
- 2.10. Pension penetration, measured as a percentage of industry assets to the country's estimated GDP, was 10.06% as of 31 December 2023, compared to 7.1% as of 31 December 2022.
- 2.11. Total income amounted to ZW\$14.5 trillion (US\$4.10 billion), primarily driven by revaluation gains, which made up 55% of the industry's total income. In

2022, the total income was ZW\$1.28 trillion (US\$3.34 billion) with revaluation gains constituting 54% of the industry's total income, indicating a 23% and 1% growth, respectively. The income was converted to US\$ using the average rate for the year.

2.12. Total contributions were ZW\$886.17 billion (US\$250.14 million) an increase of 7% from ZW\$89.40 billion (US\$232 million).

2.13. Total expenditure for the period was ZW\$541 billion (US\$152.93 million), with 61% allocated to pension benefits.

3. Regulatory Developments

3.1. During the review period, a total of 11 fund applications were received for registration. Of these, 10 were full registrations, and 1 was a name change application. The table below lists the funds that were registered during the year: -

Table 1: Fully Registered Funds

Name of Fund	Administrator	Registration Date
Insiza RDC	Old Mutual	10 February 2023
UPCSA Zimbabwe	Old Mutual	24 March 2023
Voltron Mining	Old Mutual	17 March 2023
Buhera RDC	Old Mutual	25 April 2023
Girls College	Minerva	27 April 2023
Cevafrica Logistics	Old Mutual	04 July 2023
Lupane Local Board	Old Mutual	25 July 2023
Gutu RDC	Old Mutual	25 October 2023
Mberengwa Provident Fund	Old Mutual	5 December 2023
Nkayi RDC	Old Mutual	14 December 2023
Econet Life drawdown	Econet	14 December 2023

4. Capacitation of the Industry

4.1. In 2023, to fulfil its mandate of regulating and supervising the pensions industry for the protection of fund members and their beneficiaries, the Commission conducted training workshops to better equip and inform the industry about regulatory expectations.

Table 2: Trainings

Date	Name of Training
15/03/2023	AML/CFT training on filing of STRs and red flags
3-6/09/2023	Stress Testing Seminar

4.2. In 2023, the following regulatory frameworks and circulars were issued to enhance the financial soundness of the industry: -

Table 3: Circulars issued during the year

Document	Issue Date	Content
Circular 1 of 2023	10 January 2023	Assessment of Annual Reporting Requirements
Circular 2 of 2023	27 January 2023	Request for Information on Board of Funds and Terms of Office
Circular 4 of 2023	16 February 2023	Compliance with section 64(4) of the Pension and Provident Funds Act Relating to Compliance of Fund Rules to the Act
Circular 5 of 2023	17 February 2023	Interim measures pending Gazetting of 2009 Compensation Regulations
Circular 6 of 2023	3 March 2023	Call for Comments on the Micro-pension's Framework
Circular 8 of 2023	16 March 2023	Annual Publication of Financial Statements
Circular 10 of 2023	08 March 2023	Issuance of the Directive for the Insurance and Pensions Industry on Equities and Properties Valuations
Circular 18 of 2023	14 June 2023	Notification of Publication of the Insurance and Pensions (Levy) Regulations, 2023 and Insurance (Amendment) Regulations, 2022
Circular 27 of 2023	6 September 2023	Micro-pensions Framework
Circular 31 of 2023	16 November 2023	Submission of 2009 Compensation schemes
Circular 35 of 2023	11 December 2023	Holding of Annual General Meetings by Registered Funds
Circular 36 of 2023	13 December 2023	Renewal of Registration Licence by Fund Administrators
Circular 37 of 2023	14 December 2023	Guideline on Post Retirement Products and Reregistration.
Circular 38 of 2023	18 December 2023	Guidance on Data Transfers Between Fund Administrators
Circular 39 of 2023	19 December 2023	Call for Input on Proposed Exposure Limits to the Guaranteed Funds

4.3. The Commission rolled out several consumer awareness and visibility initiatives, which include the following: -

- a. Exhibitions at ZITF and agricultural shows.
- b. Global Money Week campaign which targeted schools in Matabeleland North and South, Harare, and Mashonaland Central Provinces.
- c. The World Consumer Rights Day commemorations.
- d. Media responses on pension matters and life insurance.
- e. Made presentations at different fora such as ZAPF, EMCOZ, NECF, ZERA Energy Conference, and Tax Indaba for the Insurance Industry, among others.
- f. Active participation in regional and international bodies such as MEFMI, SADC CISNA, the World Bank and IOPS.
- g. Successfully hosted the IOPS Technical Meetings, AGM and Global Forum in Victoria Falls in October 2023.
- h. Awareness workshops targeted at Members of Boards of Funds, including the unpacking of provisions of the new Pension and Provident Funds Act [Chapter 24:32].

5. Overview of the Macro-Economic Environment

5.1. Introduction

During the year 2023, the following key macroeconomic developments took place:

5.2. Global and Regional Economic Outlook

5.2.1. According to the IMF, the global economy was projected to grow at 3% in 2023, which was lower than previously projected, due to the

unprecedented tightening of global monetary conditions, in response to decades of high inflation. Considering this, global growth prospects were expected to deteriorate in the medium term.

5.2.2. Growth in advanced economies was expected to slow down to 1.5% in 2023, from 2.6% in 2022. Meanwhile, growth prospects for emerging markets and developing economies were expected to fall slightly, from 4.1% in 2022 to 4% in both 2023 and 2024, reflecting a slowdown in Chinese growth. Sub-Saharan Africa's growth was expected to fall to 3.3% in 2023, from 4% in 2022.

5.3. Domestic Economic Outlook

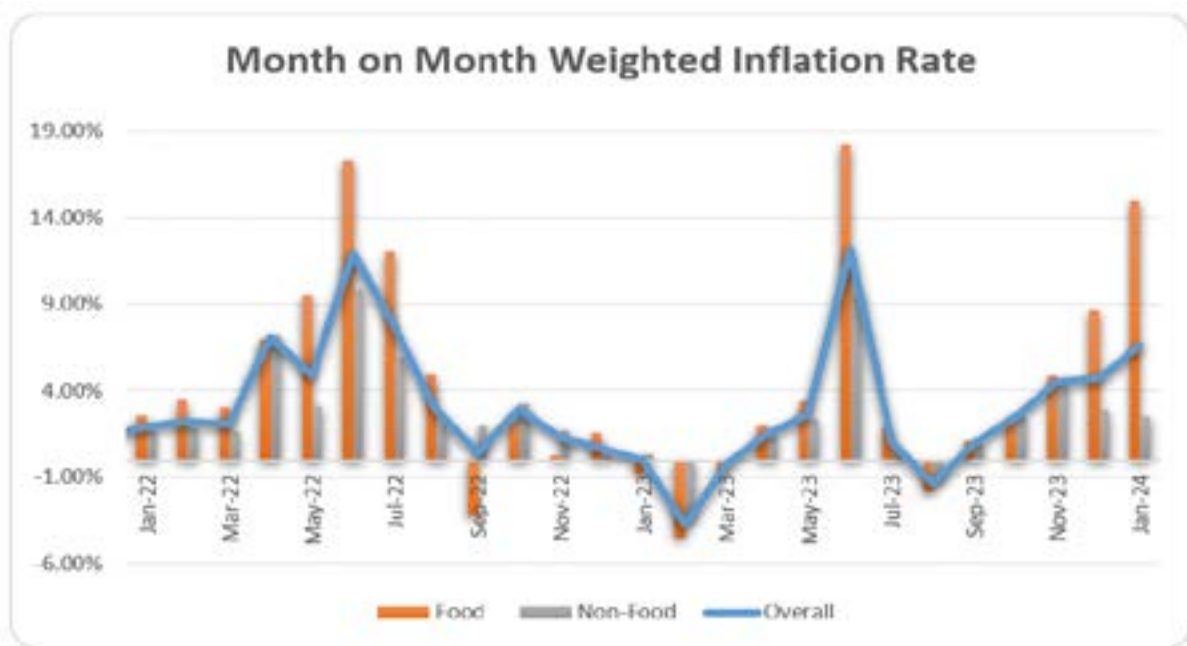
5.3.1. According to the Ministry of Finance and Economic Development, the domestic economy was expected to grow by 5.5% in 2023, a slight increase from the 5.3% projected in August, owing to higher-than-expected agricultural output, particularly tobacco, wheat, and cotton. Mining (+7.6%) and accommodation and food services (+6.9%) would drive the 3.5% growth in 2024, while agriculture is expected to contract by -4.9%.

5.4. Inflation Developments

5.4.1. In the outlook, annual inflation was on a declining trend, closing the year at 26%. The highest monthly inflation rate for the period was 12.1%, recorded in June 2023, whereas the lowest inflation rate was -1.3% recorded in August 2023.

The table below shows the inflation trend from 2022 to January 2024.

Figure 1: Inflation Profile (%) Jan 2022 to Jan 2024



Source: RBZ

5.5. Stock Market Development

5.5.1. The ZSE recorded a total market turnover of ZW\$109 billion as at year-ended 2023, a 295% increase from the previous year. Compared to the same period in the year 2022, the market turnover recorded a 58% jump from ZW\$17.5 billion in 2021 to ZW\$27.8 billion in 2022. The market capitalisation gained 722% from ZW\$2.04 trillion in December 2022, to close the year at ZW\$16.8 trillion. The Zimbabwe Stock Exchange All Share Index gained 982% from 19,494.85 points in 2022 to close at 210,833.92 points in 2023.

5.6. Victoria Falls Stock Exchange Market

5.6.1. The VFEX All Share index fell 41% at the end of the year 2023, closing at 70.48 points, down from 99.07 points in December 2022. The VFEX market capitalization gained 113% from the previous year to close at US\$1.2 billion.

6. Architecture of the Pensions Industry

6.1. As at 31 December 2023, there were 965 registered occupational pension funds, down from 981 on 31 December 2022. Of these, 482 were active, representing 50% of the industry's funds. The remaining 483 were inactive, either paid up or undergoing dissolution.

6.2. The table below shows the total number of funds and membership under the three pension fund administration models.

Table 4: Pension Fund and Membership Statistics

Administration Model	Number of Pension Funds as at 31 December...		Total Membership as at 31 December...	
	2023	2022	2023	2022
Insured	800	797	367,631	366,842
Self- Administered	151	170	161,062	148,025
Stand- Alone	14	14	438,616	413,454
Total	965	981	967,309	928,321

Membership

6.3. Membership increased by 1.41%, bringing the total number of members in the pensions industry to 967,309 as at 31 December 2023. The increase was due to new entrants reported by all administrators during the review period.

6.4. The table below shows the breakdown of membership as of 31 December 2023 and 31 December 2022.

Table 5: Membership Breakdown

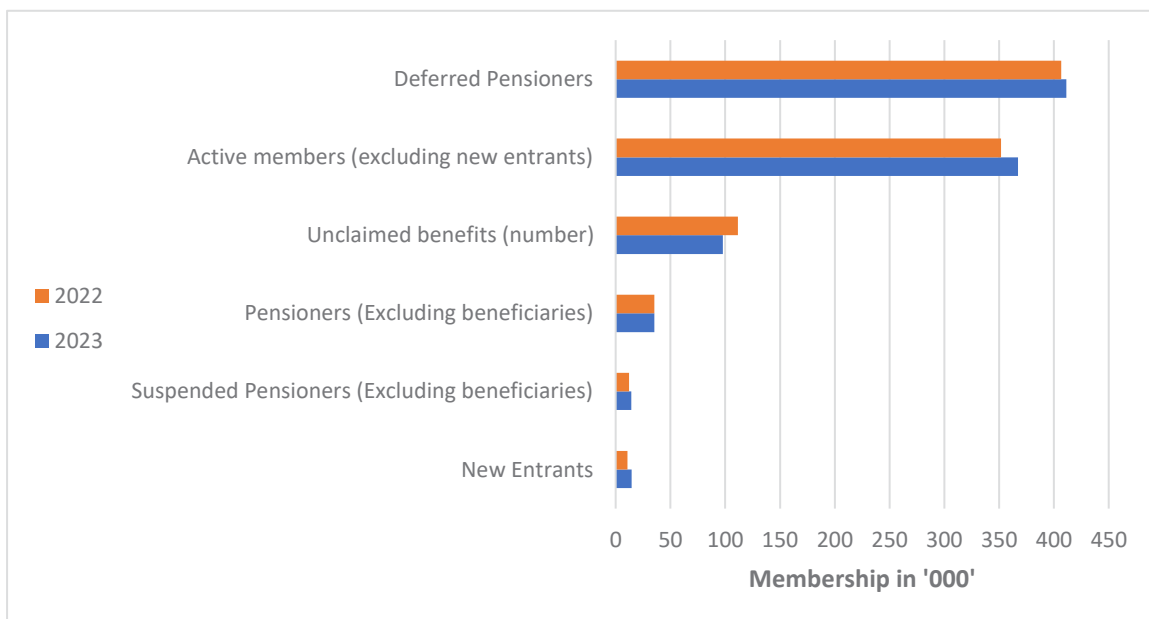
Membership Class	Membership as at 31 December...	
	2023	2022
New Entrants	14,558	10,803
Active members (excluding new entrants)	367,313	351,869
Pensioners (Excluding beneficiaries)	35,444	35,202
Deferred Pensioners	411,294	406,544

Membership Class	Membership as at 31 December...	
	2023	2022
Suspended Pensioners (Excluding beneficiaries)	14,281	12,361
Unclaimed benefits (number)	97,822	111,542
Total Members excluding beneficiaries	940,712	928,321
Total Number of beneficiaries	26,597	25,565
Total members including beneficiaries	967,309	953,886

6.5. The increase in membership was primarily due to new entrants. Members with unclaimed benefits decreased from 111,542 to 97,822 during the review period. This decline was mainly driven by the transfer of some members' unclaimed benefits to the Guardian Fund and the reclassification of membership categories in accordance with Circular 28 of 2022.

6.6. Pensioners receiving benefits made up 4% of the total industry membership, as illustrated in the distribution of membership by status in the figure below.

Figure 2 : Membership Distribution by Status



7. Key Performance Indicators

The industry's key performance indicators are presented in the table below.

Table 6: Key Industry Performance Highlights

Indicator	Insured Funds	Self-Administered Funds	Stand Alone Funds	Total 2023
Number of Funds	800	151	14	965
Members excl. beneficiaries	365,877	156,614	418,221	940,712
Total Income(in ZW\$ millions)	4,746,136.14	2,980,940.95	6,795,813.67	14,522,891
Total Contributions(in ZW\$ millions)	204,968.77	252,486.47	428,718.56	886,173.81
Rental Income(in ZW\$ millions)	-	19,119.54	118,949.41	138,069
Investment Income(in ZW\$ millions)	4,511,696.22	2,686,005.33	6,284,849.11	13,482,551
Pure Investment Income(in ZW\$ millions)	4,387,140.30	651,941.54	376,635.97	5,415,718
Investment Income over Total Assets	88%	69.81%	87.22%	244.66%
Total Expenditure(in ZW\$ millions)	133,537.97	125,732.84	282,525.22	541,796.03
Total Benefits Incurred (in ZW\$ millions)	83,938.63	86,007.26	159,411.11	329,357.00
Expenses/ Contributions	69.82%	53.33%	84.96%	71.33%
Expenses/ Contributions Received	4%	10%	35%	19%
Administrative Expenses(in ZW\$ millions)	7,652.26	23,807.60	117,037.96	148,497.82
Expenses/ Total Income	0%	1%	2%	1%
Increase/ Decrease in Net Assets(in ZW\$ millions)	4,612,598.17	2,855,208.11	6,513,288.45	13,981,094.72
Total Assets(in ZW\$ millions)	5,148,988.64	3,847,358.95	7,205,501.49	16,201,849.08
Total Assets per Member(in ZW\$ millions)	14.07	24.57	17.23	17.22
Percentage of Total Assets	32%	24%	44%	100.00%
Prescribed Assets(in ZW\$ millions)	496,286.81	508,513.63	266,798.61	1,271,599
Prescribed Assets Ratio	10%	13%	4%	7.85%
Contribution Arrears(in ZW\$ millions)	40,332.65	84,730.34	301,005.28	426,068.27

8. Assets

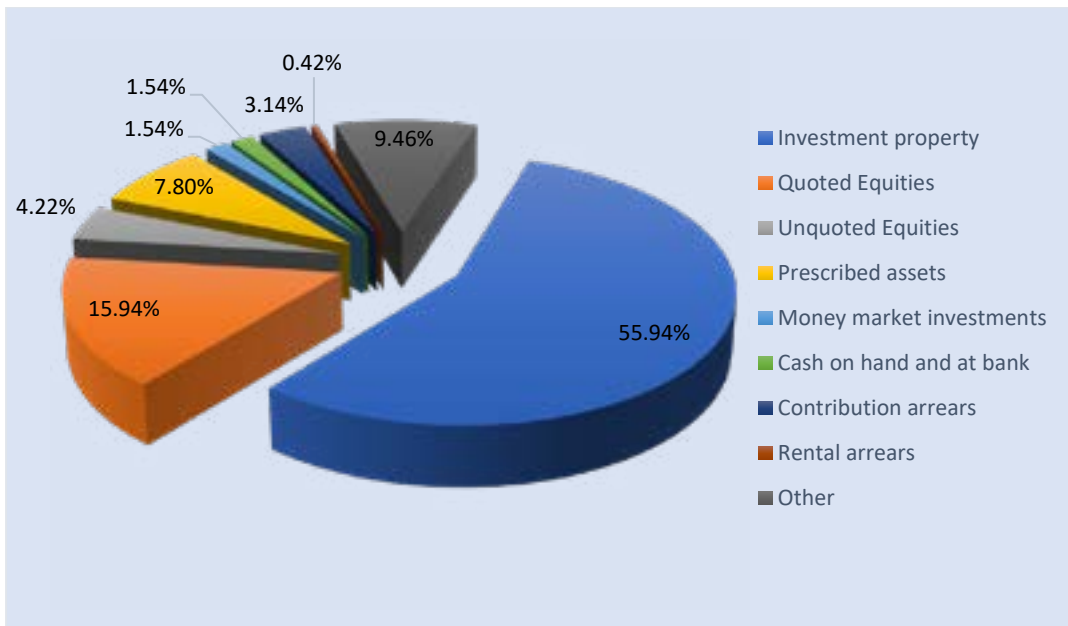
8.1. As at 31 December 2023, the industry's asset base was ZW\$16.20 trillion, equivalent to US\$2.65 billion at the prevailing closing rate an increase from ZW\$1.59 trillion (US\$2.33 billion) reported in 2022.

8.2. While the industry reported a 14% growth from the previous year's US\$2.33 billion, this growth was mainly due to revaluation gains, which made up 70% of the total income for the year ending 31 December 2023.

8.3. The total industry's asset base translates to a penetration ratio of 10% of GDP, compared to 11.46% in the previous year.

8.4. The total assets of the industry were invested as depicted in the Figure below:

Figure 3: Breakdown of Assets



8.5. As shown above, the industry's assets are concentrated in two classes: investment property and quoted equities.

8.6. Investments in quoted equities totalled ZW\$2.6 trillion (US\$425.89 million) for the period under review, decreasing from 21.31% of total assets in 2022 to 16% of total assets. Property investments, valued at ZW\$9.1 trillion (US\$1.5 billion), increased to 56% of total assets from 39.90% of total assets in 2022.

- 8.7. Contribution arrears for the year ended 31 December 2023 were ZW\$ 426.07 billion (US\$69.79 million), constituting 2.63% of the industry's total asset base, up from 1.65% in the prior year.
- 8.8. Arrears related to stand-alone funds had the highest proportion of industry arrears, amounting to ZW\$301.00 billion, constituting 71%, up from 70.28% in the previous period. The Commission calls upon the sponsoring employers of these funds to adhere to the payment plans in place.
- 8.9. Moreover, contribution arrears continue to lose value in the prevailing macroeconomic climate. As investment assets appreciate to match inflation, contribution arrears do not track inflation accordingly. Though interest is charged on contribution arrears, it does not adequately compensate for the loss suffered.
- 8.10. As at 31 December 2023, prescribed asset investments were ZW\$1.27 trillion, translating to a ratio of 7.8% of total assets, up from 5.98% in the previous year. Though the prescribed asset compliance level increased, it remains below the regulatory minimum of 20%. The increase in prescribed asset investments was also due to the issuance of gold coins and gold-backed digital tokens, which also bear prescribed asset status.
- 8.11. As at 31 December 2023, the industry had acquired 1,195 coins of varying denominations valued at ZW\$27.58 billion (US\$4.19 million). The table below shows the industry's investment in gold coins.

Table 7: Gold Coin Investments

Denomination	Total
0.1 Oz	22
0.25 Oz	33
0.5 Oz	46
1 Oz	1,894
Number of Coins	1,995
Value of Gold Coins (ZW\$ billions)	27.58

- 8.12. The industry also acquired 4.99 million milligrams of gold-backed digital tokens, valued at ZW\$2.30 billion as of the reporting date.

Table 8: Gold-backed Digital Tokens Investments

	Value (ZW\$ billions)	Tokens held (MG in millions)
Total	2.30	4.99

8.13. The gold-backed instruments offered the industry an alternative store of value.

8.14. The following instruments were granted prescribed asset status during the review period.

Table 9: Industry Uptake on Approved Prescribed Assets for the Year 2023

Issuer	Sector	Issue Size	Subscribed Amount	Uptake
		In US\$ millions		
African Century Limited	Finance	5	1.15	23%
Pure Oil	Manufacturing	5	2.42	48%
Centrawest Pvt Ltd	Energy	42.5	-	0%
ZEIPF -Marondera Shopping mall	Infrastructure - Commercial property	6.5	6.50	100%
Datvest-Dabuka Village	Infrastructure Residential stands	7.5	0.50	7%
WestProp	Infrastructure	30	-	0%
IDBZ-Rooiport	Infrastructure - Residential stands	4.9	-	0%
First Mutual Wealth	Infrastructure - Student accommodation	1.4	-	0%
		4.2	4.19	42%
Agrowth-Debenture	Agriculture	10	9.94	99%
AFC-Agrobills	Agriculture	20	0.50	25%
	Agriculture	8,500	8,428.25	99%
Stratus and Partners -Commodity Fund	Finance	50	-	0%
Harvest Capital	Agriculture	100	-	0%
Revitus-Reit	Infrastructure - Commercial property	11.88	-	0%
Sandawana Mine	Energy	200	20.00	10%
Streamwalk	Infrastructure - Hotel	39.6	-	0%
Agrowth-Debenture	Agriculture	3.5	4.07	100%
AFC-Agrobills	Agriculture	30.04	3.88	13%
ZB-Agrobills	Agriculture	5	-	0%
Totals		581.34	57.45	

8.15. Despite the increase in instruments granted prescribed asset status, industry uptake remains below the minimum 20% threshold. This is because the returns are considered unfavourable, as they do not track inflation as effectively as quoted equities and investment properties.

9. Liabilities

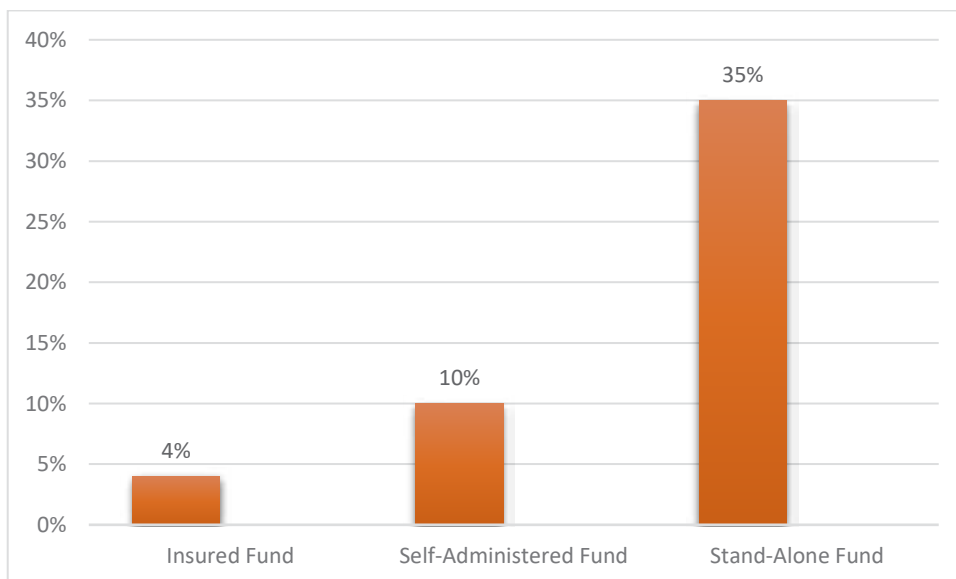
- 9.1. As at 31 December 2023, liabilities totalled ZW\$16.34 trillion (US\$2.68 billion). Reserves and liabilities due to members amounted to ZW\$16.05 trillion (US\$2.63 billion), making up 98% of the total liabilities. Benefit provisions for members were ZW\$15.2 trillion, constituting 93% of total liabilities. In comparison, liabilities in 2022 were ZW\$1.46 trillion (US\$2.13 billion).
- 9.2. Unclaimed benefits increased from ZW\$6.09 billion (US\$8.90 million) to ZW\$89 billion (US\$14.58 million), largely due to the revaluation of supporting assets. Funds are required to comply with the Administration of Estates Act and remit any unclaimed benefits held for at least five years to the Guardian Fund.
- 9.3. As at 31 December 2023, the industry had arrear pension benefits totalling ZW\$88.61 trillion (US\$14.52 million), with 90% attributable to self-administered pension funds. In 2022, arrear pension benefits were ZW\$55.01 trillion (US\$80.39 million).

10. Income and Expenses

- 10.1. Income and expenses were converted to US\$ using the average rate for the periods.
- 10.2. Total income for the review period was ZW\$14.52 trillion (US\$4.10 billion), compared to ZW\$1.28 trillion (US\$3.34 billion) in the previous year. Similar to 2022, the major sources of income were revaluation gains on property and unrealised fair value gains on financial assets, totalling ZW\$8.07 trillion (US\$2.28 billion) and accounting for 56% of total income.
- 10.3. Revenue from contributions was ZW\$886.17 billion (US\$250.14 million), against related membership expenditure of ZW\$329.36 billion (US\$92.97 million), resulting in a profit of ZW\$556.81 billion (US\$157.17 million) from membership activities.

- 10.4. Investment activities were the largest income source, totalling ZW\$13.48 trillion (US\$3.81 billion) and representing 93% of overall industry income, while the residual income of ZW\$1.04 billion accounted for just 7% of total revenue.
- 10.5. Standalone funds accounted for 47% of the total industry income, while insured and self-administered funds contributed 33% and 20%, respectively.
- 10.6. Total expenditure, excluding benefits, amounted to ZW\$212.44 billion (US\$59.96 million), up from ZW\$32 billion (US\$81.05 million) reported in 2022. The primary driver of expenditure was administrative expenses, which totalled ZW\$148 billion (US\$41.92 million).
- 10.7. Standalone funds contributed the highest proportion of total spending within the industry at 58%, compared to the insured and self-administered sectors, which reported 23% and 19%, respectively.
- 10.8. The Commission established an Expenses Framework that outlines limits and the criteria for charging certain expenses, aimed at implementing cost-cutting measures within the industry.
- 10.9. The ratio of administrative expenses to contributions is illustrated in the graph below: -

Figure 4: Ratio of Administration Expenses to Contributions



10.10. Based on the figure above, stand-alone funds had the highest ratio of administration to contributions ratio. It was followed by self-administered funds and lastly insured funds.

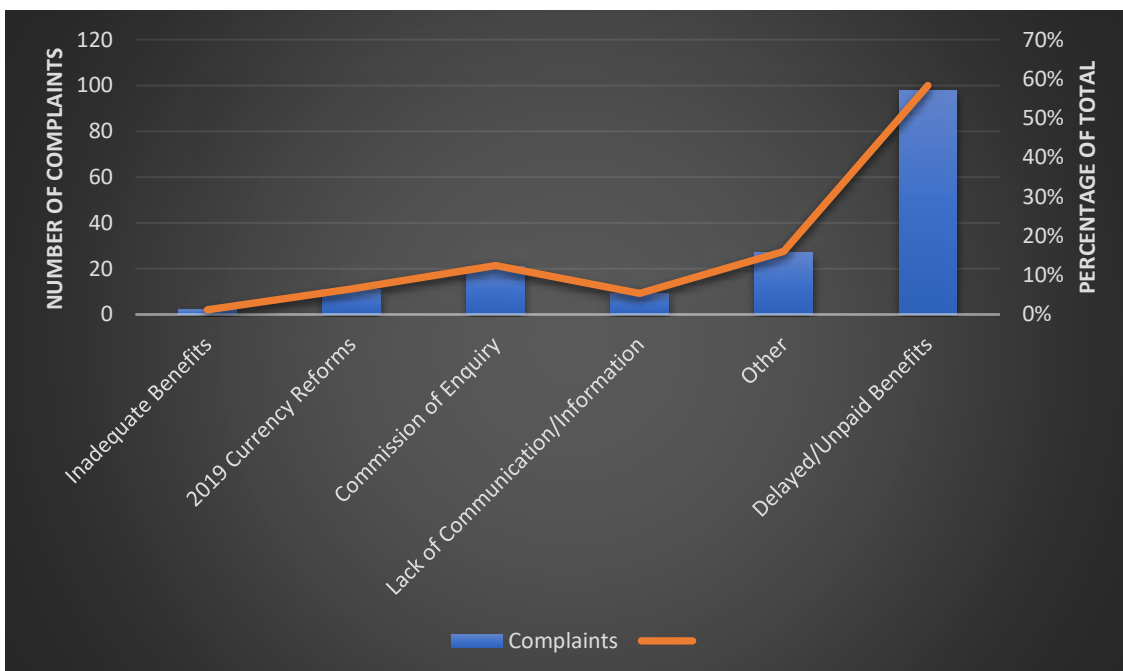
10.11. The Commission continues to monitor these ratios to ensure that pension fund spending remains within prescribed and sustainable limits.

11. Complaints

11.1. For the year ended 31 December 2023, the Commission received a total of 168 complaints. Approximately 60% of these complaints were related to pension benefits, with 98 concerning delayed or unpaid benefits and 2 regarding inadequate benefits. The remaining 40% of complaints were distributed as follows: 11 related to the 2019 Compensation (7%), 21 to the pre-2009 Commission of Inquiry (13%), 9 to communication issues (5%), and 27 to other general complaints (16%).

11.2. The graph below summaries the breakdown of the complaints as explained above:

Figure 5: Breakdown of Complaints



Types of complaints

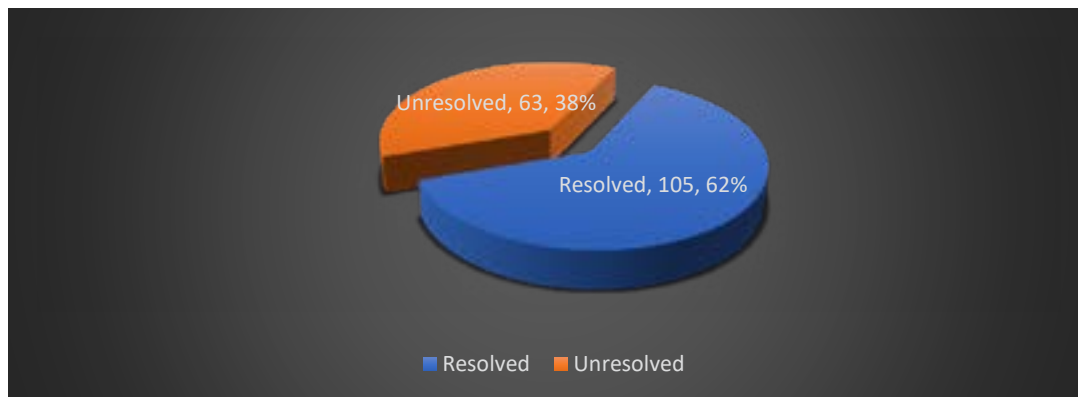
11.3. The primary reasons for the high number of complaints during the year under review were:

- Delay/Unpaid benefits.
- Other (General) complaints.
- Commission of enquiry.

Resolution Rate

11.4. The diagram below illustrates that, as at 31 December 2023, 62% of the received complaints had been resolved, while 38% remained unresolved.

Figure 6: Status on Resolution of Complaints



11.5. The unresolved complaints were primarily associated with the pre-2009 Commission of Inquiry, as many pension funds had not yet submitted their compensation frameworks. Other unresolved complaints were mainly due to insufficient information from members, ongoing investigations by administrators or pension funds, and contribution arrears from sponsoring employers.

12. Challenges in the Pensions Industry

The same challenges that were reported in 2022 persisted in 2023. They were as follows:

12.1. Unstable Operating Environment

Hyperinflation and unemployment, eroded pension benefits and resulted in applications for paid-up or dissolution of funds, respectively. As a result, members' reasonable benefit expectations are not being met calling for concerted efforts from various stakeholders to address the root causes for low benefits.

12.2. Inadequate Pension Benefits

Due to job mobility and insufficient contributions, the final benefits a member receives are heavily reliant on contributions and investment returns over time. These benefits are often inadequate to sustain members in retirement. Frequent job changes lead to members cashing out their employee portions, resulting in fragmented contribution periods.

12.3. Contributions Arrears

Some sponsoring employers are struggling with viability issues, resulting in them not being able to make monthly contributions to their pension funds. These contributions are crucial as they include a portion of administrative expenses and are vital for the fund's growth. Without these contributions, the fund must rely on investment income to cover administration costs. However, using investment income for expenses can deplete the fund's assets, especially if the investment returns are lower than the operating costs.

12.4. Declining Contributions

Pension contributions are decreasing because employers are not adjusting pensionable salaries in line with inflation. Instead, they are paying more in non-pensionable allowances. Consequently, contributions to pension funds are

based on lower pensionable salaries, leading to a decline in the contribution rates from members.

12.5. Lack of Sound Governance on the Board of Funds

Many pension schemes lack a properly constituted Board of Funds and do not have the right mix of skills needed for sound decision-making. Often, decision-making is delegated to the administrator, with trustees playing a passive role, which is not ideal. The board should be actively involved in all financial decisions regarding the fund. Board members need to be capable of interpreting financial statements and actuarial valuation reports, and they should ask pertinent questions to service providers. The Commission issued a circular on 23 of November 2023 giving the industry up to 30 May 2024 to comply with the requirement of COP, failure of which non-complying members will be disqualified.

12.6. Non-compliance with regulatory requirements

The timeous production of statutory Annual Reports continues to be hampered by the industry's failure to meet the reporting deadline. The envisaged acquisition of a Supervision System is expected to go a long way in streamlining the timelines for producing the reports. Further, the system will assist in aiding the analysis of the performance of the industry. The Commission remain seized with tackling this challenge through stakeholder engagement.

12.7. Lack of Data Integrity

The pensions industry continues to experience data integrity challenges arising from historical manual record-keeping systems, system changeover weaknesses and fragmented Management Information Systems (MIS). The Commission is seized with ensuring data integrity through supervisory focus on MIS and enforcement of minimum standards for record-keeping.

12.8. High Licence Fees

Many pension industry IT systems are sourced from international service providers, requiring forex for payments. This forex, intended to benefit fund

members, often ends up benefiting the service providers instead. There is a call for the pensions industry to collaborate with local universities to develop systems solutions, ensuring that resources benefit fund members more than service providers.

Supervisory Responses

The Commission implemented the following measures in response to the above cited challenges and to enhance member outcomes:-

- a. The Expense Framework is being enforced to reduce excessive administration costs and allocate resources more effectively for benefit enhancement. The Commission is receiving feedback on the Framework's intended consequences, particularly regarding the sustainability of the fund administration business and the viability of the asset management business. This feedback is being carefully considered, and Management will propose adjustments to the Framework to address any unintended consequences.
- b. Product review, including re-registration of all post-retirement products, and reforms of deposit administration schemes, including guaranteed funds.
- c. Envisaged consolidation of smaller funds for economies of scale, post conclusion of the pre-2009 Compensation process.
- d. Engagement with employers and labour unions on remittance of contributions and reasonability of pensionable salaries.
- e. Lobbying with the Government for holistic pension reforms at a national level to ensure the sustainability of the public and private occupational pension industry.
- f. Enhanced supervision and monitoring of the industry through the adoption of risk-based supervision.

Concluding Remarks

The year 2023 had its successes and challenges. Positive developments included the gazetting of the Pre-2009 Pension Compensation Regulations, implementation of the new Pension and Provident Funds Act [Chapter 24:32], containment of expenses, which were haemorrhaging pension funds,

improvement in the quality of trustees and general improvement in pension benefits. The challenges hindering the improvement of member outcomes include low consumer confidence due to value loss, product irrelevance, declining pension contributions, low pension accumulations, and low pension benefits. Moving forward, strategic initiatives will be implemented to address these challenges.



Annexures

Annexure 1: INDUSTRY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	INSURED		SELF-ADMINISTERED		STAND-ALONE		TOTALS	
	2023	2022	2023	2022	2023	2022	2023	2022
	Historical	Historical	Historical	Historical	Historical	Historical	Historical	Historical
Income								
Membership Activities								
Contributions								
by members:								
(a) Normal	80,981,818,940.05	6,288,935,413.81	80,473,920,806.41	10,262,456,496.66	139,630,307,240.48	12,542,647,139.37	220,104,228,046.89	18,831,582,553.18
(b) Voluntary	553,812,019.42	55,154,361.96	307,832,285.65	72,020,861.84	13,441,520,088.00	115,139,307.00	94,731,171,313.70	10,432,790,165.62
by employers:			124,173,667,592.39	72,020,861.84	243,829,814.12	1,434,946,287.00	124,971,309,425.93	1,506,967,148.84
(a) Normal	109,731,692,887.73	12,352,223,319.41	21,870,931,409.62	605,745,290.85	177,723,316,593.48	13,892,682,024.88	199,594,248,003.10	24,850,650,637.14
(b) Special towards member accumulations		795,030,030.00	8,916,316,239.24	15,468,442,467.52	1,506,461,693.00	4,600,824,516.00	120,154,470,819.97	20,864,575,013.52
GLA premiums		702,334,395.90	8,916,316,239.24	1,689,837,992.62	2,686,994,181.12	2,078,719,884.00	11,603,310,420.36	4,470,892,272.52
Interest on contribution arrears		2,536,771.00	1,082,827,580.73	1,366,000,251.23	3,451,450,588.24	90,768,167,088.00	100,754,294,980.30	4,819,987,610.47
Other (specify)	4,798,148,424.00	49,033,225.66	6,744,659,094.52	345,898,581.40	2,717,966,607.24	85,448,851.00	14,260,774,125.76	480,380,658.06
Other (specify)				993,666,179.41		6,126,501.00		999,792,680.41
Total Contributions (A)	204,948,772,582.77	20,245,525,517.74	252,486,471,247.80	30,804,068,121.53	428,718,563,305.44	38,207,985,100.49	886,173,807,136.01	89,257,578,739.76
Other membership income								
Transfers from other funds		4,547,264,352.00	13,142,456,903.97	1,956,436,520.07	1,903,107.00	-	13,144,360,010.97	6,503,700,872.07
Transfer from other sources	23,979,666,980.00		2,198,261.73	204,038,362.61	411,685,832.00	7,602,385.00	23,981,865,241.73	204,038,362.61
Amounts received on life insurance claims		1,549,588,423.00	827,373,507.72	1,624,416,045.90	-	-	1,239,059,339.72	3,181,606,853.90
Other (specify)	432,000.00	7,429,852,139.38	214,001,207.32	26,402,122.55	-	-	214,433,207.32	7,456,254,261.93
Other (specify)		18,431,514,010.00						18,431,514,010.00
Total other membership income (B)	23,980,098,980.00	31,958,218,924.38	14,186,029,880.75	3,811,293,051.13	413,588,939.00	7,602,385.00	38,579,717,799.75	35,777,114,360.51
Benefits and Payments								
Pensions								
to members		2,219,807,848.00	11,298,807,382.21	11,378,807.72	12,063,080,076.30	6,118,442,070.21	23,361,887,458.51	8,349,628,725.93
to surviving spouse	24,761,539,563.74	1,116,903,288.00	629,610,248.00	1,877,821,550.73	4,443,423,416.00	913,742,586.51	29,834,573,227.74	3,908,467,425.24
to children and other dependants	1,494,955,447.37	93,160,793.00	112,189,407.68	113,612,465.00	472,084,438.00	572,179,329.90	2,079,229,293.05	778,952,587.90
One third commutation	508,467,365.29	887,753,218.00	215,232,458.11	21,273,161.00	462,948,677.00	431,220,084.00	1,186,648,500.40	1,340,246,463.00
Lump sum awards on death	4,420,511,291.00	2,607,153,749.96	5,853,437,218.20	121,739,792.42	1,323,996,902.60	155,052,710,347.36	11,597,945,411.80	157,781,603,889.74
Lump sum awards on withdrawal/resignation	3,394,306,278.89	1,074,535,856.64	29,292,853,992.23	1,096,910,059.44	6,844,374,027.45	1,170,492,408.34	39,531,534,298.57	3,341,938,324.42
Lump sum awards on retirement and retrenchment	23,656,945,007.16	1,501,599,135.33	22,857,425,045.30	7,008,226,168.41	7,389,403,499.00	473,802,469.49	53,903,773,551.46	8,983,627,773.23
Ex gratia payments	15,647,788,054.12	1,525,484,614.00	729,237,418.68	6,697,404,232.93		(6,381,201,626.61)	16,377,025,472.80	1,841,687,220.32
GLA Premiums paid	74,112,293.00	815,623,046.89	10,283,985,854.12	343,001,495.10	719,725,132.70	34,357,497.00	11,077,823,279.82	1,192,982,038.99
Actuarial gain/loss (DB funds)	9,670,566,855.68		27,871,884.02	1,459,836,962.54	125,457,885,000.00		135,156,323,739.70	1,459,836,962.54
Transfers to other funds			3,571,931,834.68	69,934,012.28	1,001,937,024.00		4,573,868,858.68	69,934,012.28
Other (specify)	304,004,162.82	93,109,338.40	838,034,439.17	1,434,546,113.27	(791,839,977.00)	920,124.00	350,198,624.99	1,528,575,575.67
Other (specify)	5,429,844.33	11,397,296.51	296,646,506.00	1,686,617,983.26	24,088,096.00		326,164,466.33	1,698,015,179.77
Total Benefits and Payments (C)	83,938,626,183.40	11,946,528,184.73	86,007,263,688.40	21,942,302,704.10	159,411,106,312.05	158,386,665,290.20	329,356,996,183.85	192,275,496,179.03
Net Membership Activities Income/ Loss (A+B-C) =D	145,010,245,379.37	40,257,216,257.39	180,665,237,440.15	12,673,058,468.56	269,721,045,932.39	(120,171,077,804.71)	595,396,528,751.91	(67,240,803,078.76)

Annexure 1: INDUSTRY CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023... Continued

	INSURED		SELF-ADMINISTERED		STAND-ALONE		TOTALS	
	2023	Historical	2023	Historical	2023	Historical	2023	Historical
NON-MEMBERSHIP ACTIVITIES								
Investment Income								
Financial Assets								
Dividends	104,944,605,848.47	309,702,993.30	34,124,263,357.42	3,716,811,049.95	40,486,171,911.76	8,480,604,345.55	74,610,455,269.18	12,507,118,408.80
Interest income	39,549,571,947.70	388,295,718.45	32,744,631,709.97	4,134,970,252.68	24,251,318,618.30	2,474,500,319.59	161,940,556,176.74	6,997,766,840.72
Realised fair value gains/ (losses) on financial assets	1,870,531,119,372.36	26,667,053,510.56	213,919,610,975.29	1,451,059,008,642.69	2,227,926,222,132.00	106,172,642,319.82	3,718,534,802,739.38	274,531,878,734.23
Other (specify)	184,110,362,995.50	292,959,814,719.00	244,031,975,704.84	16,700,733,796.61	46,352,920,594.00	5,780,066,703.73	474,495,259,394.34	315,440,610,219.34
Other (specify)	4,415,174,715.26	55,356,195.00	12,316,274,694.55	2,371,269,688.93	7,535,345,604.00	36,222,527.00	24,266,795,013.81	2,462,848,410.93
Non Financial Assets	313,806,921.19	3,904,253,600.00	1,621,343,074.10	5,099,723,005.90	7,535,345,604.00	36,222,527.00	24,266,795,013.81	9,003,976,605.90
Rental income	85,036,343,437.47	688,370,000.00	19,119,544,074.47	13,803,179,109.27	118,949,407,121.21	11,399,176,676.37	138,068,951,197.69	424,464,139,779.65
Revaluation gains/ (losses) on property	2,222,825,232,085.99	424,552,058.48	2,042,866,261.88	17,891,483,773.72	22,085,744,935.00	4,414,482,286.00	2,277,063,056,633.87	22,305,966,059.72
Profit/ (loss) on disposal of non financial assets			70,943,153,607.23	2,974,659,796.61	38,290,291,142.00	342,090,544.26	40,768,157,034.07	3,770,801,670.28
Other (specify)			2,477,865,892.07	(463,930,609.97)	38,290,291,142.00	342,090,544.26	40,768,157,034.07	(121,840,065.71)
Total investment income/ (loss) (E)	4,511,696,217,340.94	355,606,853,281.26	2,486,005,334,841.31	299,866,730,570.98	6,284,849,107,146.42	494,686,408,585.34	13,482,550,659,328.70	1,150,197,920,457.58
Investment Expenses								
Financial Assets								
Administration fees	41,920,764,763.95	34,738,014.02	11,016,649,809.42	1,670,700,059.70	904,126,139.90	182,925,441.22	11,920,775,949.32	1,853,625,500.92
Custodial fees	138,077,365.19	523,339.00	110,068,810.24	45,604,430.57	1,945,020,152.00	53,801,754.00	42,916,693,692.55	240,727,372.94
Other (specify)	13,051,204.00	-	7,422,550.68	2,441,664.00	-	-	87,574,454.48	219,772,243.15
Non Financial Assets								
Rates	(86,653,122.12)	-	219,753,559.00	383,816,857.04	3,286,271,390.00	30,576,188.00	3,506,024,649.00	30,576,188.00
Property management fees	41,100,211.69	-	2,024,765,225.77	152,985,883.76	5,077,257,089.00	581,967,129.29	7,015,369,492.65	581,967,129.29
Property maintenance costs	(79,315,947.25)	55,659,674.32	50,865,194.10	4,345,223.83	266,027,906.00	1,070,000.00	(3,966,444,256.07)	828,534,197.36
Other (specify)	60,248.46	-	6,554,168.50	26,737,430.17	6,076,147,460.83	290,333,046.20	237,577,152.85	61,054,898.15
Total investment expenses (F)	41,947,085,423.91	90,901,027.34	15,917,976,448.62	2,438,818,851.98	6,076,147,460.83	2,061,600,262.90	63,941,209,333.36	4,591,320,142.28
Net investment income/ (loss) (E - F) = (G)	4,469,749,131,917.02	355,515,952,253.92	2,470,087,358,392.69	297,427,911,719.00	6,278,772,959,685.59	492,624,808,322.38	13,418,609,449,995.30	1,145,568,672,295.30
Other Activities								
Other Income								
Employer contribution towards expenses	32,757,752.00	2,945,926.00	16,399,647,744.15	3,649,798,853.94	17,373,110,985.00	475,633,169.41	33,772,758,749.15	4,125,432,023.35
Other (specify)	5,458,289,774.24	6,730,836.00	2,029,271,796.00	1,545,763,090.39	45,275,256,746.00	353,515,955.40	52,762,818,318.24	2,827,437,064.86
Total Other Income (H)	5,491,047,528.24	9,676,762.00	28,263,111,173.60	5,203,071,774.74	81,832,403,820.19	2,107,877,173.48	115,586,564,522.03	7,320,625,710.22
Other Expenses								
Bank charges	(84,657,492.98)	16,065,005.79	735,508,321.90	152,128,207.37	1,927,977,165.10	954,074,104.00	2,663,485,487.00	1,122,267,317.16
Staff costs	(2,519,127,837.51)	1,534,744,732.00	1,776,018,984.70	251,653,463.32	17,922,428,515.44	2,749,158,137.59	19,613,790,007.16	3,200,532,629.91
Administration fees	1,489,754,005.92	62,810,316.05	1,801,312,536.81	1,591,779,657.86	10,151,562,625.54	1,349,301,674.90	17,192,740,271.00	4,475,826,064.76
Actuarial fees	(1,274,436,725.18)	63,747,348.00	2,218,957,334.65	269,946,020.15	17,080,013.57	167,648,046.76	13,767,627,389.58	443,901,287.43
Board expenses	(452,663,810.52)	18,996,207.00	305,484,135.84	110,763,769.58	(187,943,541.54)	300,480,405.63	937,440,595.90	501,341,414.91
IPEC levies	(208,546,177.60)	284,687,227.39	1,773,707,319.26	175,056,726.19	720,278,518.00	170,307,295.48	(335,123,216.22)	430,240,382.21
Bank charges	1,727,793,795.58	-	198,300,508.75	51,402,693.21	68,373,149.00	71,173,252.18	2,285,439,659.66	630,051,249.06
Fines and Penalties	(15,979,928.20)	-	264,474,609.72	61,757,837.25	303,864,798.95	76,922,389.67	352,247,033.10	143,222,101.18
Amortisation, Depreciation and Impairment of operating	7,930,284.17	184,124,141.69	1,255,492,017.71	33,068,497.16	65,953,286.46	25,668,031.00	514,429,747.96	36,756,528.16
Provisions (specify):			47,187,424.52	194,941,657.02	194,941,657.02	2,559,664,444.00	1,452,549,574.72	2,409,374,002.98
Other (specify)			3,049,214,925.36	3,049,214,925.36	35,075,087.00	302,794,821.00	90,192,795.69	878,374,002.98
Other (specify)	(1,269,844,006.83)	4,622,036,156.73	3,049,214,925.36	5,672,126,221.29	58,177,929,290.00	69,438,735.00	61,227,144,215.36	5,263,601,113.53
Other (specify)	252,056,473.61	684,972,649.51	730,493,005.46	5,627,054,760.35	8,454,747,031.00	826,885,365.63	17,680,268,918.63	6,470,519,173.67
Total Other expenses (I)	7,652,258,580.46	7,676,446,687.42	23,807,599,776.29	9,288,076,863.06	117,037,961,903.85	10,613,490,106.95	148,497,820,267.09	932,248,891.10
Net Other income / loss (H - I) = (J)	(2,161,211,052.22)	(7,666,769,925.42)	4,455,511,397.31	(4,085,005,088.32)	(35,205,556,083.66)	(8,505,612,933.47)	(32,911,255,738.57)	(20,257,387,947.21)
Change in Net Assets excluding Membership Activities (G + J)	4,467,587,920,864.80	347,849,182,328.50	2,674,542,867,790.00	293,342,906,630.68	6,243,567,403,601.93	484,119,195,388.91	13,385,698,194,256.70	1,125,311,284,348.09
Net increase/ decrease in net assets during the year (D + K)	4,612,598,166,244.17	388,106,398,585.89	2,855,208,107,230.15	306,015,965,099.25	6,513,288,449,534.32	363,948,117,584.20	13,981,094,723,008.60	1,058,070,481,269.34
Net assets available for benefits at beginning of year (M)	389,581,090,574.53	1,474,691,988.64	404,438,369,724.09	98,422,404,624.84	458,504,497,412.02	94,555,379,827.82	1,252,525,957,710.64	194,455,476,441.31
Net Assets available for benefits at end of year (L + M)	5,002,179,256,818.70	389,581,090,574.53	3,259,846,476,954.24	404,438,369,724.09	6,971,792,946,946.34	458,504,497,412.02	15,233,618,680,719.30	1,252,525,957,710.64

Annexure 2: INDUSTRY CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2023

	2023		2022		2023		2022		2023		2022	
	Historical	Historical	Historical	Historical	Historical	Historical	Historical	Historical	Historical	Historical	Historical	Historical
	INSURED				SELF-ADMINISTERED				STAND-ALONE			
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Assets												
Current assets												
Government bonds	41,922,635,808,904.73	531,420,370,154.65	3,408,315,446,044.29	398,453,413,444.21	6,645,864,298,133.99	642,974,574,590.00	14,776,816,555,053.00	1,491,358,754,543.88	1,359,380,499.00	2,504,888,871.45	730,873,419.53	4,778,959.84
Other prescribed assets												
Staff loans and mortgages	67,805,014.00	12,826,567.00	8,919,496,250.00	4,295,342.35	2,461,474,993.00	848,126,254.54	7,449,078,267.00	845,551,145.99	7,449,078,267.00	845,551,145.99	9,155,424,358.40	845,551,145.99
Monetary investments	99,440,263,870.16	827,100,918.79	89,940,903,467.50	4,910,391,752.70	60,872,501,254.19	3,814,930,687.00	2,500,455,808,591.64	1,131,275,874,455.85	2,500,455,808,591.64	2,500,455,808,591.64	18,961,281,470.20	1,131,275,874,455.85
Cash on hand and at bank	84,493,999,475.14	1,105,456,454.09	132,293,494,794.10	13,147,426,710.48	33,998,449,427.92	2,430,190,073.79	2,990,329,904.29	489,470,790.11	2,990,329,904.29	4,497,544,340.41	1,000,792,714.36	12,140,512,936.93
Other (benefit)	7,322,322.69	99,745,026.00	2,645,110,200.72	972,940,430.34	2,045,135,037.00	177,747,984.00	4,497,544,340.41	5,184,771,672.52	4,497,544,340.41	5,184,771,672.52	9,263,849,287.47	67,192,491,196.77
XXX	-	-	238,482,314.52	49,638,721.93	445,065,920.00	245,110.00	-	-	445,065,920.00	245,110.00	-	-
XXX	-	0,320,027,613.00	376,012.47	933,021,074.47	445,065,920.00	245,110.00	-	-	445,065,920.00	245,110.00	-	-
Total current assets	164,407,499,489.00	22,608,789,863.79	349,593,872,134.74	22,416,861,431.36	142,864,629,793.11	12,076,841,681.90	14,776,816,555,053.00	1,491,358,754,543.88	1,359,380,499.00	2,504,888,871.45	730,873,419.53	4,778,959.84
Non-current assets												
Investment property	40,320,447,255.19	3,095,942,949.04	84,730,341,992.72	6,049,967,949.04	301,005,273,913.88	18,328,452,442.89	426,048,265,121.29	26,342,740,240.37	426,048,265,121.29	56,739,451,459.23	3,732,090,143.92	6,766,287,219.27
Rental assets	37,814,443.40	445,909,003.97	64,933,943,043.19	645,909,003.97	453,977,093,149.44	3,091,704,934.31	64,933,943,043.19	119,523,063.79	64,933,943,043.19	119,523,063.79	743,274,880.46	374,673,432.22
Investment income receivable	-	44,300,698.30	434,508,420.00	44,300,698.30	27,678,344.00	26,615,951.00	4,784,287,027.24	743,274,880.46	4,784,287,027.24	51,102,397,634.69	863,100,437.54	3,838,944,158.78
Other (benefit)	-	34,542,434.65	940,794,290.24	24,560,454.65	3,643,494,299.76	744,133,542.55	11,102,397,634.69	863,100,437.54	11,102,397,634.69	3,594,944,158.78	217,108,134.54	3,838,944,158.78
XXX	-	307,400,766.00	7,064,034,935.93	307,400,766.00	1,764,413,497.00	803,304,573.96	81,430,613.04	507,140,940,422.78	81,430,613.04	507,140,940,422.78	1,691,010,996,909.24	1,691,010,996,909.24
XXX	-	1,374,677,710.46	118,430,225.52	118,430,225.52	2,070,104,357.00	81,430,613.04	-	-	2,070,104,357.00	81,430,613.04	-	-
XXX	-	135,660,511.00	776,057,024.70	135,660,511.00	4,404,518,409.46	4,404,518,409.46	-	-	4,404,518,409.46	-	-	-
Total non-current assets	6,146,886,538,998.19	640,332,676,449.93	3,847,368,952,516.33	431,794,922,407.38	7,205,601,499,816.21	403,897,855,662.78	16,201,849,083,429.70	1,691,010,996,909.24	16,201,849,083,429.70	1,691,010,996,909.24	1,691,010,996,909.24	1,691,010,996,909.24
Total assets												
Liabilities												
Current liabilities												
Government bonds	4,922,635,808,904.73	531,420,370,154.65	3,408,315,446,044.29	398,453,413,444.21	6,645,864,298,133.99	642,974,574,590.00	14,776,816,555,053.00	1,491,358,754,543.88	1,359,380,499.00	2,504,888,871.45	730,873,419.53	4,778,959.84
Other prescribed assets												
Staff loans and mortgages	67,805,014.00	12,826,567.00	8,919,496,250.00	4,295,342.35	2,461,474,993.00	848,126,254.54	7,449,078,267.00	845,551,145.99	7,449,078,267.00	845,551,145.99	9,155,424,358.40	845,551,145.99
Monetary investments	99,440,263,870.16	827,100,918.79	89,940,903,467.50	4,910,391,752.70	60,872,501,254.19	3,814,930,687.00	2,500,455,808,591.64	1,131,275,874,455.85	2,500,455,808,591.64	2,500,455,808,591.64	18,961,281,470.20	1,131,275,874,455.85
Cash on hand and at bank	84,493,999,475.14	1,105,456,454.09	132,293,494,794.10	13,147,426,710.48	33,998,449,427.92	2,430,190,073.79	2,990,329,904.29	489,470,790.11	2,990,329,904.29	4,497,544,340.41	1,000,792,714.36	12,140,512,936.93
Other (benefit)	7,322,322.69	99,745,026.00	2,645,110,200.72	972,940,430.34	2,045,135,037.00	177,747,984.00	4,497,544,340.41	5,184,771,672.52	4,497,544,340.41	5,184,771,672.52	9,263,849,287.47	67,192,491,196.77
XXX	-	-	238,482,314.52	49,638,721.93	445,065,920.00	245,110.00	-	-	445,065,920.00	245,110.00	-	-
XXX	-	0,320,027,613.00	376,012.47	933,021,074.47	445,065,920.00	245,110.00	-	-	445,065,920.00	245,110.00	-	-
Total current liabilities	164,407,499,489.00	22,608,789,863.79	349,593,872,134.74	22,416,861,431.36	142,864,629,793.11	12,076,841,681.90	14,776,816,555,053.00	1,491,358,754,543.88	1,359,380,499.00	2,504,888,871.45	730,873,419.53	4,778,959.84
Non-current liabilities												
Investment property	40,320,447,255.19	3,095,942,949.04	84,730,341,992.72	6,049,967,949.04	301,005,273,913.88	18,328,452,442.89	426,048,265,121.29	26,342,740,240.37	426,048,265,121.29	56,739,451,459.23	3,732,090,143.92	6,766,287,219.27
Rental assets	37,814,443.40	445,909,003.97	64,933,943,043.19	645,909,003.97	453,977,093,149.44	3,091,704,934.31	64,933,943,043.19	119,523,063.79	64,933,943,043.19	119,523,063.79	743,274,880.46	374,673,432.22
Investment income receivable	-	44,300,698.30	434,508,420.00	44,300,698.30	27,678,344.00	26,615,951.00	4,784,287,027.24	743,274,880.46	4,784,287,027.24	51,102,397,634.69	863,100,437.54	3,838,944,158.78
Other (benefit)	-	34,542,434.65	940,794,290.24	24,560,454.65	3,643,494,299.76	744,133,542.55	11,102,397,634.69	863,100,437.54	11,102,397,634.69	3,594,944,158.78	217,108,134.54	3,838,944,158.78
XXX	-	307,400,766.00	7,064,034,935.93	307,400,766.00	1,764,413,497.00	803,304,573.96	81,430,613.04	507,140,940,422.78	81,430,613.04	507,140,940,422.78	1,691,010,996,909.24	1,691,010,996,909.24
XXX	-	1,374,677,710.46	118,430,225.52	118,430,225.52	2,070,104,357.00	81,430,613.04	-	-	2,070,104,357.00	81,430,613.04	-	-
XXX	-	135,660,511.00	776,057,024.70	135,660,511.00	4,404,518,409.46	4,404,518,409.46	-	-	4,404,518,409.46	-	-	-
Total non-current liabilities	6,146,886,538,998.19	640,332,676,449.93	3,847,368,952,516.33	431,794,922,407.38	7,205,601,499,816.21	403,897,855,662.78	16,201,849,083,429.70	1,691,010,996,909.24	16,201,849,083,429.70	1,691,010,996,909.24	1,691,010,996,909.24	1,691,010,996,909.24
Total liabilities												
Equity												
Government bonds	4,922,635,808,904.73	531,420,370,154.65	3,408,315,446,044.29	398,453,413,444.21	6,645,864,298,133.99	642,974,574,590.00	14,776,816,555,053.00	1,491,358,754,543.88	1,359,380,499.00	2,504,888,871.45	730,873,419.53	4,778,959.84
Other prescribed assets												
Staff loans and mortgages	67,805,014.00	12,826,567.00	8,919,496,250.00	4,295,342.35	2,461,474,993.00	848,126,254.54	7,449,078,267.00	845,551,145.99	7,449,078,267.00	845,551,145.99	9,155,424,358.40	845,551,145.99
Monetary investments	99,440,263,870.16	827,100,918.79	89,940,903,467.50	4,910,391,752.70	60,872,501,254.19	3,814,930,687.00	2,500,455,808,591.64	1,131,275,874,455.85	2,500,455,808,591.64	2,500,455,808,591.64	18,961,281,470.20	1,131,275,874,455.85
Cash on hand and at bank	84,493,999,475.14	1,105,456,454.09	132,293,494,794.10	13,147,426,710.48	33,998,449,427.92	2,430,190,073.79	2,990,329,904.29	489,470,790.11	2,990,329,904.29	4,497,544,340.41	1,000,792,714.36	12,140,512,936.93
Other (benefit)	7,322,322.69	99,745,026.00	2,645,110,200.72	972,940,430.34	2,045,135,037.00	177,747,984.00	4,497,544,340.41	5,184,771,672.52	4,497,544,340.41	5,184,771,672.52	9,263,849,287.47	67,192,491,196.77
XXX	-	-	238,482,314.52	49,638,721.93	445,065,920.00	245,110.00	-	-	445,065,920.00	245,110.00	-	-
XXX	-	0,320,027,613.00	376,012.47	933,021,074.47	445,065,920.00	245,110.00	-	-	445,065,920.00	245,110.00	-	-
Total equity	164,407,499,489.00	22,608,789,863.79	349,593,872,134.74	22,416,861,431.36	142,864,629,793.11	12,076,841,681.90	14,776,816,555,053.00	1,491,358,754,543.88	1,359,380,499.00	2,504,888,871.45	730,873,419.53	4,778,959.84

Annexure 2: INDUSTRY CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2023... Continued

	INSURED		SELF-ADMINISTERED		STAND-ALONE		TOTALS	
	2023	2022	2023	2022	2023	2022	2023	2022
	Historical	Historical	Historical	Historical	Historical	Historical	Historical	Historical
Non-Actuarial Liabilities								
Arrear pension benefits	-	3,677,673,236.37	79,340,379,189.68	3,677,673,236.37	9,272,770,186.41	1,862,446,682.29	88,613,149,376.09	54,953,346,762.66
Tenants deposits	20,756,056.84	51,246,672.67	1,086,036,394.00	51,246,672.67	1,380,885,277.00	780,783,225.19	2,487,677,727.84	833,684,323.74
Tax	42,299,781.48	34,155,936.03	2,819,631,488.93	34,155,936.03	2,262,073,216.00	90,603,147.00	5,124,004,486.41	121,625,949.17
Contribution prepayments	445,017.00	242,822,390.22	697,833,674.71	242,822,390.22	79,055,311,684.00	146,009,278.00	79,753,590,375.71	389,039,682.71
Other non-actuarial liabilities	2,777,176.00	400,362,961.56	2,492,122,905.68	400,362,961.56	828,335,832.00	93,219,838.14	3,323,235,913.68	493,582,799.70
XXX	5,260,855,043.03	1,288,144,085.41	18,634,251,439.31	1,288,144,085.41	1,440,962,579.39	4,345,623,361.99	25,336,049,961.73	6,146,347,754.57
XXX	137,124,691.15	358,673,628.24	2,552,392,977.86	358,673,628.24	57,935,423,312.00	1,109,884,910.60	60,624,940,981.01	1,483,124,296.07
XXX	13,854.00	2,700,631,640.91	15,131,990,088.47	2,700,631,640.91	7,208,801,003.00	13,794,251,817.56	22,340,804,945.47	691,499,322,233.94
Total non-actuarial liabilities (U)	5,464,271,619.50	8,753,710,551.41	122,754,638,158.65	8,753,710,551.41	159,384,563,089.80	22,222,822,260.77	287,603,472,867.96	755,920,072,802.57
Net Assets available for benefits	5,143,524,367,378.69	551,578,965,898.52	3,724,604,314,757.68	423,043,211,855.96	7,054,900,255,239.41	581,675,033,402.01	15,923,028,937,375.80	1,511,840,147,605.14
Reserves and liabilities								
Liabilities								
Active members	2,323,980,332,084.83	230,597,084,684.70	2,552,535,862,757.57	305,217,684,923.03	3,203,600,000,045.00	76,863,129,703.81	8,080,116,194,887.39	736,487,991,729.73
Pensioners	732,716,237,587.35	73,147,115,332.00	358,406,949,479.05	37,289,214,418.99	2,316,236,567,825.00	51,674,357,100.00	3,407,359,754,891.40	231,255,213,875.99
Deferred pensioners	694,800,232,663.40	71,312,907,600.64	231,857,014,311.59	15,377,128,063.00	346,520,670,596.00	11,145,196,178.19	1,273,177,917,570.99	120,899,670,277.64
Pending exits	-	9,661,688,074.00	110,071,736,010.17	17,942,945,814.70	602,946,891,651.00	1,011,500,093.00	713,018,627,661.17	67,588,698,618.70
Unclaimed benefits	11,316,213,313.60	1,097,544,952.89	28,202,697,687.34	1,736,798,893.58	49,465,347,330.00	680,975,237.00	88,984,258,330.94	6,085,498,942.47
Suspended pensioners	87,061,322,717.86	3,037,632,088.39	6,283,654,641.00	622,826,923.00	190,730,793,552.00	2,183,498,361.00	284,075,770,910.86	9,319,045,879.39
Arrear pension benefits	1,310,243,402,542.00	1,869,267,247.12	248,200,225.00	3,027,008.00	182,341,458.00	977,640,332.00	1,310,673,944,225.00	2,605,962,639.12
Current tax	-	-	-	147,389,273.00	-	(298,036.00)	-	737,280,509.00
Deferred tax	-	-	2,422,853,863.00	253,756,533.00	-	-	2,422,853,863.00	253,756,533.00
Provisions (specify):	-	115,220,678,779.00	6,407,119,112.20	139,289,549.62	-	1,097,183.00	6,407,119,112.20	116,187,545,301.62
XXX	334,120,905.17	6,455,544.58	15,852,556,472.72	615,547,660.31	459,414,959.00	6,132,827,685.00	16,646,092,336.89	1,049,709,982.89
XXX	-	68,388.32	828,769,881.06	6,989,390.56	(392,342,128.00)	519,539,051.09	436,427,753.06	2,069,397,901.88
XXX	-	-	1,626,587.10	-	1,038.00	20,090,113.90	1,627,625.10	-
Other (specify):	-	777,958,258.00	1,633,305,830.96	1,289,070,861.00	-	5,761,669.00	1,633,305,830.96	2,067,029,119.00
XXX	-	-	121,393,809,055.46	9,553,251,652.34	21,180,397,644.90	2,407,300,846.38	142,574,206,700.36	9,553,251,652.34
XXX	-	-	3,046,984,179.18	4,484,466,288.00	20,143,509,678.00	49,126,582.22	23,190,493,857.18	4,484,466,288.00
XXX	-	-	148,161,359.00	320,932,978.00	-	42,422,177.00	148,161,359.00	320,932,978.00
Reserves								
Stabilisation/ Bonus Smoothing	55,073,847,809.65	124,236,291.00	118,086,876,405.99	21,728,332,043.39	101,758,107,320.00	3,208,417,063.00	274,918,831,535.64	24,567,883,544.39
Tenants deposit	-	-	20,059,784,444.10	534,739,890.00	22,027,940,967.00	339,567,131.00	42,087,725,411.10	2,042,840,753.00
Any other reserves (specify):	-	-	38,064,292,693.35	110,973,910.61	3,446,541,153.99	1,746,467,912.00	41,510,833,847.34	4,515,265,064.61
XXX	3,588,555.74	14,031,483.39	86,056,500,534.94	8,065,851,362.59	189,059,611,868.00	(21,581,908,692.35)	275,119,700,958.68	15,236,718,660.59
XXX	-	-	8,630,981,734.73	67,543,487.00	45,283,413,251.00	7,041,864,012.00	53,914,394,985.73	7,249,543,487.00
XXX	-	-	4,231,406,282.00	-	4,864,582,160.00	-	9,095,988,442.00	-
Total Actuarial Liabilities (U)	5,215,529,298,179.60	506,866,668,724.03	3,714,471,143,547.50	425,767,786,111.73	7,117,513,790,368.89	144,468,571,702.24	16,047,514,232,096.00	1,364,837,728,926.37
Surplus/ Deficit (T-U)	(72,004,930,800.91)	44,712,297,174.49	10,133,171,210.18	(2,724,574,255.77)	(62,613,535,129.48)	437,206,461,699.77	(124,485,294,720.21)	479,194,184,618.49



2023

PENSIONS ANNUAL REPORT

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