

THE NATIONAL PENSION SCHEME (AMENDMENT) BILL, 2023

MEMORANDUM

The object of this Bill is to amend the National Pension Scheme Act, 1996 so as to provide for—

- (a) members to access a pre-retirement benefit; and
- (b) matters connected with, or incidental to, the foregoing.

M. D. KABESHA,
Attorney-General

N.A.B. 1, 2023
23rd February, 2023

A BILL

ENTITLED

An Act to amend the National Pension Scheme Act.

ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the National Pension Scheme (Amendment) Bill, 2023, and shall be read as one with the National Pension Scheme Act, in this Act referred to as the principal Act.

Short title
Cap. 256

5 2. Section 2 of the principal Act is amended by the insertion of the following new definitions in the appropriate places in alphabetical order:

Amendment
of section 2

10 “pre retirement lump sum benefit” means a one-off benefit payable to a member who has not yet attained pensionable age;

“residual contributions” means the remainder of the contributions on a member’s account after a member has accessed the one off pre retirement lump sum benefit; and

15 “Zambia Statistics Agency” means the Zambia Statistics Agency established under the Statistics Act, 2018;.

Act No. 13
of 2018

3. Section 9 of the principal Act is amended by the—

Amendment
of section 9

20 (a) insertion of the following new subsection immediately after subsection (1):

(2) Despite subsection (1), the Authority may pay a one off pre retirement lump sum benefit to a member who has met the requirements specified under section 21A.

	(b) renumbering of subsections (2), (3) and (4) as subsections (3), (4) and (5), respectively.	
Amendment of section 19	4. Section 19 of the principal Act is amended by the deletion of subsection (5) and the substitution therefor of the following:	
	(5) The Authority shall determine the national average earnings under subsection (3) annually, by applying statistics and data compiled by the Zambia Statistics Agency.	5
Insertion of section 19A	5. The principal act is amended by the insertion of the following new section immediately after section 19:	10
Minimum amount of retirement pension	19A. The minimum retirement pension of members that access a pre-retirement lump-sum benefit shall be eighty percent of the minimum monthly pension.	
Insertion of new section 21A	6. The principal Act is amended by the insertion of the following new section immediately after section 21:	15
One off pre retirement lump sum benefit	21A. (1) Despite section 21, a member is entitled to a pre retirement lump sum benefit, where that member consents in writing to access a pre-retirement benefit, is below pensionable age and has —	
	(a) made a minimum of sixty monthly contributions;	20
	or	
	(b) attained the age of forty-five.	
	(2) The pre retirement lump sum benefit payable under subsection (1) shall be twenty percent of the indexed monthly contributions and the accrued interest.	25
	(3) The payable benefit at retirement or any other benefit to a member who has accessed the pre retirement lump sum benefit under subsection (1) shall be based on a member's residual contributions and contributions made after the receipt of a pre retirement lump sum benefit.	30
	(4) A member who accesses a pre-retirement benefit under subsection (1) consents to a reduction in that member's retirement or other final benefit payable under this Act.	35

7. Section 24 of the principal Act is amended by the insertion
of the following new subsection immediately after subsection (3) Amendment
of section 24

5 (4) Despite subsection (3), a member who suffers an
 invalidity after accessing a pre retirement lump sum
 benefit is entitled to eighty percent of the applicable
 minimum monthly invalidity pension referred to under
 section 24(3).

8. Section 34 of the principal Act is amended by the—

10 (a) insertion of the following new subsection immediately
 after subsection (2): Amendment
of section 34

 (3) Despite subsection (2), the lumpsum
 benefit payable to a member who accesses a pre-
 retirement benefit shall be reduced by twenty
 percent.; and

15 (b) renumbering of subsection (3) as subsection (4). Amendment
of section 53

9. Section 53(2) of the principal Act is amended by the deletion
of paragraph (a) and the substitution therefor of the following:

20 (a) the prevention of the receipt of more than one benefit at
 the same time and the adjustment of benefits in special
 circumstances;

