

**THE LOCAL AUTHORITIES SUPERANNUATION FUND
(AMENDMENT) BILL, 2024**

MEMORANDUM

The object of this Bill is to amend the Local Authorities Superannuation Fund Act so as to—

- (a) revise the accrual rate of a retirement benefit;
- (b) revise the commutation factors; and
- (c) provide for matters connected with, or incidental to, the foregoing

M. MUCHENDE,
Solicitor-General

A BILL

ENTITLED

An Act to amend the Local Authorities Superannuation Fund Act.

ENACTED by the Parliament of Zambia.

Enactment

1. This Act may be cited as the Local Authorities Superannuation Fund (Amendment) Act, 2024 and shall be read as one with the Local Authorities Superannuation Fund Act, in this Act referred to as the principal Act.

Short title

Cap. 284

2. The principal Act is amended by the repeal of section 25 and the substitution therefor of the following:

Repeal and replacement of section 25

25. (1) A member who joined the Fund before 14th August, 2015 shall be paid a retirement benefit in the form of an annuity at the rate of one six hundred and sixtieth of the retiring pensionable emoluments of the member for each completed month of the member's continuous service.

Retirement benefit

(2) Despite subsection (1), a member who joined the Fund before 14th August, 2015 and has attained the age of fifty-five but has continued to be in employment, with the consent of the employer, and elects to retire either at the age of sixty years or sixty-five years in accordance with the provisions of section 26 of the Act shall be paid a retirement benefit in the form of an annuity at the rate of one six hundred and sixtieth of the retiring pensionable emoluments of the member for each completed month of the member's continuous service.

(3) A member who joined the Fund after 14th August, 2015 shall be paid a retirement benefit in the form of an annuity at the rate of one seven hundred and twentieth of the retiring pensionable emoluments of the member for each completed month of the member's continuous service. 5

(4) A member may commute either one-third or two-thirds of that member's retirement benefit for a lump sum at the date of the member's retirement— 10

(a) if the member is retired under section 27, at the rate of twenty-eight ngwee for each one kwacha of annuity commuted; or

(b) if the member retires or is retired under sections 26, 28 or 29, at the rate laid down for the member's age at the date of the member's retirement— 15

(i) for members retiring under section 25 (1), at the commutation factor laid down for the member's age at the date of the member's retirement as set out in Table A of the First Schedule or the Third Schedule, where applicable; 20
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(ii) for members retiring under section 25(2), at the commutation factor laid down for the member's age at the date of the member's retirement as set out in Table B of the First Schedule or the Third Schedule, where applicable; or 30

5 (iii) for members retiring under section 25(3),
at the commutation factor laid down for
the member's age at the date of the
member's retirement as set out in Table
C of the First Schedule or the Third
Schedule, where applicable.

10 (5) Subject to subsection (4), the commutation factor of
a member who retires under section 28 and whose length of
service consists of uncompleted months in the year of
retirement shall be determined through an interpolation
commutation factor formula derived as follows:

15 interpolation commutation factor = commutation
factor at attained full year-[Number of months in
the uncompleted year of retirement/twelve months
x (Commutation factor at attained full year-the
commutation factor at the immediate following full
year)]

20 (6) Despite subsections (1), (2) and (3), the Minister may,
in consultation with the Fund and based on an actuarial
valuation undertaken to determine the financial sustainability
of the Fund, by statutory instrument prescribe the rate at which
a retirement benefit is payable.

3. The principal Act is amended by the repeal of the First
Schedule, Second Schedule and Third Schedule and the substitution
therefor of the First Schedule, Second Schedule and Third Schedule
set out in Appendices I, II and III, respectively.

Repeal and
replacement
of the First,
Second and
Third
Schedule

APPENDIX I
(Section 3)

FIRST SCHEDULE
(Sections 25, 28 and 29)

Table A

Commutation factor of each K1 of annuity in terms of section 25 (1) on retirement in terms of sections 26, 28 or 29

<i>Age</i>	<i>Commutation Factor</i>
30	32.76
31	32.50
32	32.24
33	31.96
34	31.68
35	31.40
36	31.10
37	30.80
38	30.48
39	30.14
40	29.82
41	29.46
42	29.10
43	28.72
44	28.34
45	27.94
46	27.52
47	27.08
48	26.64
49	26.16
50	25.68
51	25.18
52	24.68
53	24.18
54	23.66
55	23.14

Table B

Commutation factor of each K1 of annuity in terms of section 25 (2) on retirement in terms of sections 26, 28 or 29.

<i>Age</i>	<i>Commutation Factor</i>
56	22.56
57	22.07
58	21.58
59	21.09
60	20.59
61	20.10
62	19.61
63	19.12
64	18.63
65	18.15

Table C

Commutation factor of each K1 of annuity in terms of section 25 (3) on retirement in terms of sections 26, 28 or 29

<i>Age</i>	<i>Commutation Factor</i>
30	32.76
31	32.50
32	32.24
33	31.96
34	31.68
35	31.40
36	31.10
37	30.80
38	30.48
39	30.14
40	29.82
41	29.46
42	29.10
43	28.72
44	28.34
45	27.94
46	27.52
47	27.08
48	26.64
49	26.16
50	25.68
51	25.18
52	24.68
53	24.18
54	23.66
55	23.14
56	22.14
57	22.07
58	21.58
59	21.09
60	20.59
61	20.10
62	19.61
63	19.12
64	18.63
65	18.15

APPENDIX II
(Section 3)

SECOND SCHEDULE
(Sections 29)

CALCULATION OF ADDITIONAL RETIREMENT BENEFIT FOR THE PURPOSES OF SECTION 29

<i>Age at date of termination</i>	<i>Proportion of average annual emoluments for the member's last five years of continuous service</i>
Less than 31 years	1/2160th
31 years or more but less than 41 years	1/1800th
41 years or more but less than 50 years	1/1440th
51 years or more	1/1800th

APPENDIX III
(Section 3)

THIRD SCHEDULE
(Sections 28 and 29)

Commutation factor of each K1 of annuity on retirement in terms of sections 28 and 29

<i>Age</i>	<i>Commutation Factor</i>
30	30.35
31	30.08
32	29.56
33	29.24
34	28.91
35	28.33
36	27.96
37	27.57
38	27.15
39	26.70
40	26.02
41	25.52
42	25.01
43	24.46
44	23.89
45	23.27
46	22.61
47	21.91
48	21.19
49	20.40
50	19.59
51	18.97
52	18.08
53	17.16
54	16.19
55	15.20
56	15.00
57	14.51
58	14.02
59	13.55
60	13.08
61	12.62
62	12.16
63	11.71
64	11.27
65	10.84
