



**REPUBLIC OF ZAMBIA**

**REPORT**

**OF THE**

**COMMITTEE ON PARASTATAL BODIES**

**ON THE**

**PUBLIC SERVICE PENSIONS BILL, N.A.B. NO. 69 OF 2026**

**FOR THE**

**FIFTH SESSION OF THE THIRTEENTH NATIONAL ASSEMBLY**

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## FOREWORD

Honourable Madam Speaker, the Committee on Parastatal Bodies has the honour to present its Report on the Public Service Pensions Bill, N.A.B. No. 69 of 2026, for the Fifth Session of the Thirteenth National Assembly. The functions of the Committee are set out under Standing Orders 206 (1) and 207 of the National Assembly of Zambia Standing Orders, 2024.

The Committee held five sittings to consider the Bill. To gain insight into the ramifications of the Bill, the Committee sought both written and oral submissions from various stakeholders. The list of stakeholders is at Appendix II of the Report.

The Report is in three Parts. Part I contains the salient provisions of the Bill. Part II highlights concerns raised by stakeholders, while Part III contains the Committee's observations and recommendations.

The Committee wishes to pay tribute to all stakeholders who appeared before it and tendered both oral and written submissions. It further wishes to thank you, Madam Speaker, for affording it an opportunity to consider the Public Service Pensions Bill, N.A.B. No. 69 of 2026. The Committee also appreciates the services rendered by the Office of the Clerk of the National Assembly during its deliberations.



Dr Chitalu Chilufya, MP  
**CHAIRPERSON**

May, 2026  
**LUSAKA**

## **TABLE OF CONTENTS**

Foreword.....	i
Membership of the Committee.....	1
Background .....	1
Objects of the Bill.....	1
Salient Provisions of the Bill.....	2
Concerns Raised by Stakeholders.....	4
Committee’s Observations and Recommendations.....	5
Conclusion.....	6
Appendix I.....	8
Appendix II.....	9

## **1.0 MEMBERSHIP OF THE COMMITTEE**

The Committee consisted of Dr Chitalu Chilufya, MP (Chairperson); Mrs Mutinta C Mazoka, MP (Vice Chairperson); Mr Anthony Kasandwe, MP; Ms Julien Nyemba, MP; Mr Mubita Anakoka, MP; Mr Vumango P Musumali, MP; Mr Stephen Kampyongo, MP; Mr Brian Mundubile, MP; Mr Herbert Mapani, MP and Mr Stanley Kakubo, MP.

## **2.0 BACKGROUND**

The current legislative framework governing pension benefits in the public service contains several gaps and inadequacies. In particular, the Public Service Pensions Act does not provide for a mandatory occupational pension scheme for public service employees, thereby creating disparities in social security protection between employees in the public and private sectors.

The Public Service Pensions Bill, N.A.B. No. 69 of 2026 which seeks to repeal and replace *the Public Service Pensions Act, Chapter 260 of the Laws of Zambia* has been presented to the National Assembly. The Bill aims to harmonise and rationalise pension benefits, while introducing pension arrangements that are affordable, sustainable and adequate for employees in the public service.

Once enacted, the Bill will strengthen the legal framework relating to pension administration in the public service by introducing a mandatory occupational pension scheme. This is expected to enhance efficiency, promote equity in the provision of pension benefits, and improve social security protection for public service employees.

## **3.0 OBJECTS OF THE BILL**

The objects of the Bill are to:

- a. continue the existence of the Public Service Pensions Fund Board, re-name it as the Public Service Pensions Fund, and redefine its functions;
- b. re-constitute the Board of the re-named Public Service Pensions Fund and redefine its functions;
- c. continue the existence of the membership, contribution and benefit structure and name it as the Public Service Pensions Scheme;
- d. establish the Occupational Pensions Scheme;
- e. continue the existence of the Public Service Pensions Fund in relation to its property component, and re-name it as the Pensions Fund;
- f. establish the Occupational Pensions Fund;
- g. provide for the collection of pension contributions;
- h. provide for the payment of benefits;
- i. provide for the actuarial valuation of the Public Service Pensions, Scheme and Occupational Pensions Scheme;
- j. repeal and replace the *Public Service Pensions Act, Chapter 260 of the Laws of Zambia*; and
- k. provide for matters connected with, or incidental to, the foregoing.

## **PART I**

### **4.0 SALIENT PROVISIONS OF THE BILL**

The provisions of the Bill are as set out hereunder.

#### **Part One**

##### **Clauses 1 and 2 - Preliminary Provisions**

This part provides for preliminary provisions, among them, the interpretation clause, which seeks to define various words and phrases used in the Act.

#### **Part Two**

##### **Clauses 3 to 8: The Public Service Pensions Fund**

This Part provides for the continued existence and governance of the Public Service Pensions Fund. It continues the Public Service Pensions Fund Board established under the repealed Act and renames it as the Public Service Pensions Fund. The Part further sets out the functions of the Fund, which include administering and managing the Public Service Pensions Scheme, Occupational Pension Scheme, Pension Fund and Occupational Pension Fund.

The Part also provides for the constitution and composition of the Board, and outlines its functions, including the promotion of effective corporate governance of the Fund. Further, it provides for the appointment and qualifications of the Director-General, who shall serve as the chief executive officer of the Fund, as well as the appointment of the Secretary and other staff. In addition, the Part empowers the Emoluments Commission, on the recommendation of the Board, to determine the emoluments of the Director-General, Secretary and other staff, while the Board determines their terms and conditions of service.

#### **Part Three**

##### **Clauses 9 to 12: The Public Service Pensions Scheme**

This Part provides for the continuation of the membership, contribution and benefit structure under the existing Fund, which is renamed as the Public Service Pension Scheme. It further mandates the Board to establish prudent controls for the effective management of the Scheme, including fiscal management and accounting procedures. The Part also provides for membership and registration under the Scheme, including the registration of existing members and the issuance of unique social security numbers by the Public Service Pensions Fund. In addition, it sets out the circumstances under which a person ceases to be a member of the Scheme, including upon payment of accrued benefits or death of a member.

#### **Part Four**

##### **Clauses 13 to 16: The Occupational Pensions Scheme**

This Part provides for the establishment and administration of the Occupational Pension Scheme by the Public Service Pensions Fund. It mandates the Board to establish prudent controls for the effective management of the Scheme, including fiscal management and accounting procedures.

This Part further provides for membership and registration under the Occupational Pension Scheme, including the issuance of unique social security numbers to registered employees and members by the Public Service Pensions Fund. Additionally, it sets out

the circumstances under which a person ceases to be a member of the Scheme, including upon payment of accrued benefits or death of a member.

## **Part Five**

### **Clauses 17 to 25: Contributions**

This Part provides for contributions to the Public Service Pension Scheme and the Occupational Pension Scheme. It mandates relevant authorities to remit mandatory contributions for employees who are members of the respective Schemes, and empowers the President, on the recommendation of the Board and based on an actuarial assessment, to prescribe contribution rates payable by both the employer and employee.

The Part further provides timelines for the payment and submission of contributions and returns, as well as penalties for non-compliance. It also regulates contributions during periods of secondment, unpaid leave and temporary employment, and prohibits contributions outside the prescribed age limits. Additionally, the Part provides for voluntary contributions under the Occupational Pension Scheme, notification requirements by relevant authorities regarding changes in employment status, the handling of contributions paid in error, and the transfer of contributions to another pension scheme in accordance with the Act.

## **Part Six**

### **Clauses 26 and 27: Age of Retirement**

This Part provides for the retirement age applicable to members of the Public Service Pension Scheme and the Occupational Pension Scheme. It permits retirement upon attaining pensionable age, and further allows a member to retire at an early or late pensionable age with the consent of the relevant authority.

The Part also makes special provision for members of the Defence Force and certain officers in the Police Service and other disciplined services to retire earlier upon meeting prescribed service or age requirements. In addition, it empowers the President, on the recommendation of the Board and based on an actuarial assessment, to prescribe earlier or later retirement ages. Further, the Part provides that contributions made after a member has attained the applicable retirement age shall not be considered in the calculation of benefits and shall instead be treated as contributions paid in error and refunded accordingly.

## **Part Seven**

### **Clauses 28 to 42: Benefits under the Public Service Pensions Scheme**

This Part provides for the various categories of benefits payable under the Public Service Pension Scheme. It sets out the circumstances under which benefits accrue to a member or other eligible beneficiaries, including on retirement, retirement in national or public interest, resignation, discharge or dismissal. The Part further provides for the payment of pensions and related benefits to members, spouses, children and other beneficiaries. In addition, it addresses matters relating to the resumption of duty after retirement on medical grounds, commutation of pension, and applicable constitutional limitations.

## **Part Eight**

### **Clauses 43 to 52: Benefits under the Occupational Pensions Scheme**

This Part provides for the various categories of benefits payable under the Occupational Pension Scheme. It sets out the circumstances under which benefits accrue to a member or other eligible beneficiary, including on retirement, retirement in national or public interest, resignation, discharge or dismissal.

The Part further provides for the payment of pensions and related benefits to members of the Scheme, spouses, children and other beneficiaries. It also makes provision for portability of benefits, commutation of pension, and the cessation of pension payments under the Occupational Pension Scheme.

## **Part Nine**

### **Clauses 53 to 58: The Pension Fund and Occupational Pensions Fund**

This Part provides for the continuation and establishment of the Pension Fund and the Occupational Pension Fund, including their composition, administration and purposes. It renames the property component of the existing Public Service Pension Fund as the Pension Fund and establishes the Occupational Pension Fund, while setting out the monies that each Fund shall consist of and the purposes for which those monies shall be applied.

The Part mandates the Public Service Pensions Fund to manage and administer both Funds, and to establish prudent controls relating to fiscal management and accounting procedures. It further requires the maintenance of proper books of accounts and annual auditing by the Auditor-General or an auditor appointed by the Auditor-General. In addition, the Part provides for the submission of annual reports to the President, who is required to lay the report before the National Assembly. It also empowers the Fund, subject to the Public Finance Management Act and Board approval, to invest surplus monies not immediately required for the purposes of the Schemes.

## **Part Ten**

### **Clauses 45 and 78: General Provisions**

This Part provides for general provisions relating to the administration, governance, regulation and enforcement of the Public Service Pension Scheme and Occupational Pension Scheme. It empowers the President, on the recommendation of the Public Service Pensions Fund, to establish sub-schemes and adjust contributions and benefits, and provides for the appointment of an actuary and the conduct of regular actuarial valuations, whose recommendations the Board is required to implement. The Board is also designated as trustee of the Schemes.

The Part further provides for investment and corporate arrangements, including joint ventures and partnerships, as well as the maintenance of a register of members. It also sets out safeguards such as the protection of pension benefits from attachment and the treatment of pension assets. In addition, it provides for compliance and enforcement measures, including suspension or reduction of benefits in cases of fraud, penalties for offences, and liability of corporate officers. It also requires periodic confirmation that beneficiaries are alive, failing which payments may be suspended.

Finally, the Part provides for appeals against decisions of the Fund, the issuance of guidelines and regulations, and the repeal of the existing Public Service Pensions Act, including savings and transitional provisions.

## **PART II**

### **5.0 CONCERNS RAISED BY STAKEHOLDERS**

Stakeholders who appeared before the Committee supported the Bill. However, in doing so, they raised the concerns outlined below.

**i. Age of Retirement**

Some stakeholders were concerned that clause 26(2)(a) was unclear and required clarification on the treatment of members who exited the Scheme between the ages of fifty-six and fifty-nine. They, therefore, proposed that the clause be amended to expressly provide for the position applicable to members exiting the Scheme within that age range.

**ii. Dual Pension Scheme Framework**

Other stakeholders were concerned that the provision for dual pension system in the Bill might fragment the public service pension framework by creating two parallel schemes with different rules, benefits, and risk structures. They were of the view that uncertainty regarding the long-term direction of reform particularly whether the defined-benefit scheme would be phased out or continue alongside the defined-contribution scheme, made fiscal and actuarial planning more difficult.

**iii. Benefit Design and Eligibility Thresholds**

Some stakeholders were concerned that while the Bill introduced a structured and predictable benefit framework linked to contributions and defined contingencies, it placed strong emphasis on minimum contribution thresholds for accessing periodic pension payments. Members who did not meet these thresholds would receive only lump-sum benefits, raising concerns about long-term income security. They noted that although lump sums offered short-term flexibility, they might be quickly depleted and leave retirees financially vulnerable, whereas pension or annuity payments provided more stable and sustainable income.

Overall, stakeholders highlighted a policy trade-off between flexibility and long-term adequacy, calling for a careful balance to ensure both immediate support and sustained retirement protection.

**iv. Benefits on discharge or dismissal of member of Public Service Pension Scheme**

Some stakeholders were concerned that clause 32 did not provide clarity on the treatment of employer contributions if a member was discharged or dismissed from employment. It was unclear whether or not such contributions would be forfeited to the Fund, deferred, or refunded to the employer. They therefore proposed that the clause be amended to clearly stipulate the treatment of employer contributions if a member was discharged or dismissed.

**PART III**

**6.0 COMMITTEE'S OBSERVATIONS AND RECOMMENDATIONS**

The Committee notes that all stakeholders who appeared before it supported the Bill. The Committee also supports the Bill and in doing so, makes the observations and recommendations outlined below.

**i. Age of Retirement**

The Committee observes that clause 26(2)(a) lacks clarity regarding the treatment of members who exit the Scheme between the ages of fifty-six and fifty-nine. The Committee further observes that this ambiguity may lead to inconsistent interpretation and application of the provision.

In this regard, the Committee recommends that the clause should be amended to expressly provide for the applicable treatment of members exiting the Scheme within that age range.

**ii. Dual Pension Scheme Framework**

The Committee observes that the dual pension system may lead to fragmentation, inequities, and increased administrative complexity. This is more apparent in view of differing rules across parallel schemes and uncertainty about the future of the defined-benefit arrangement.

The Committee, therefore, recommends that the Bill should be amended to provide for clear long-term policy direction on pension reform, explicitly providing guidance whether the Occupational Pensions Scheme will replace the Public Service Pensions Scheme or operate alongside it on a permanent basis.

**iii. Benefit Design and Eligibility Thresholds**

The Committee observes that clauses 28 to 52 of the Bill introduces minimum contribution thresholds to ensure sustainability and efficiency in the pension scheme. However, it is concerned that these thresholds may exclude some members from receiving periodic pensions thereby weakening long-term retirement security. It further highlights the risk that lump-sum payments alone may be quickly exhausted, leaving retirees with insufficient income in old age.

The Committee, therefore, recommends amendments to introduce a more balanced benefit structure, including proportional or blended pension options. In addition, it recommends a review of qualifying thresholds to improve equity, expand coverage, and strengthen retirement income protection.

**iv. Benefits on discharge or dismissal of member of Public Service Pension Scheme**

The Committee observes that clause 32 does not provide clarity on the treatment of employer contributions if a member is discharged or dismissed. The Committee further observes that the absence of clear provisions on whether such contributions are forfeited, deferred, or refunded to the employer may lead to uncertainty in the administration of the Scheme.

In this regard, the Committee recommends that the clause should be amended to clearly stipulate the treatment of employer contributions if a member is discharged or dismissed.

**7.0 CONCLUSION**

The Public Service Pensions Bill, N.A.B. No. 69 of 2026, represents a significant and far-reaching reform of Zambia's public service pension architecture. In this regard, it introduces a dual-scheme structure, strengthens institutional governance, and embeds actuarial and compliance mechanisms to improve long-term sustainability. The Bill reflects a deliberate shift towards modern pension system designs, including enhanced portability, clearer benefit frameworks, and more structured funding and investment arrangements. As a result, these reforms have the potential to improve the efficiency, transparency, and resilience of the pension system while safeguarding the interests of public service employees and retirees.

In view of the foregoing, the Committee supports the enactment of the Public Service Pensions Bill, N.A.B. No. 69 of 2026.

Handwritten signature of Dr Chitalu Chilufya, MP, consisting of the letters 'PP' followed by a stylized signature.

Dr Chitalu Chilufya, MP  
**CHAIRPERSON**

May, 2026  
**LUSAKA**

**APPENDIX I**  
**LIST OF NATIONAL ASSEMBLY OFFICIALS**

Mr Stephen Chiwota, Director (Financial Committees)  
Mr Geoffrey Zulu, Deputy Director (Financial Committees)  
Mr Charles Chishimba, Senior Committee Clerk (FC1)  
Ms Carol Ndoti, Committee Clerk  
Ms Anita Mulale, Administrative Assistant  
Mr Daniel Lupiya, Senior Committee Assistant  
Mr Muyembi Kantumoya, Committee Assistant

**APPENDIX II**  
**LIST OF WITNESSES**

Local Authorities Superannuation Fund  
Ministry of Justice  
Ministry of Finance and National Planning  
Ministry of Labour and Social Security  
National Economic Advisory Council  
National Pension Scheme Authority  
Pensions and Insurance Authority  
Public Service Pension Fund  
Zambia Federation of Employers