



July 2021

NAPSA Staff Pension Scheme - Newsletter Issue No 2

In this issue:

•Foreword from the CEO

- Welcoming the new members
- Know your Trustees
- Half year performance highlights – June 2021
- Preparing for your retirement
- 2020 Member Statements
- Adjusting to the new normal
- Investments



Foreword from the CEO

Its our pleasure to present to you our most valued members of the NAPSA Staff Pension Scheme, the Half Year newsletter publication covering the period 1 January 2021 to 30 June 2021. This publication provides highlights on half year Scheme performance and other useful information for the benefit of Scheme members. We encourage you to take time to read this issue and provide us with feedback using the details provided to enable us serve you better.

Welcoming the New Members

The Board of Trustees and Management of NAPSA Staff Pension Scheme welcome the new members that joined the Scheme in the half year period ended 30 June 2021 and wish them well in their Service.

We encourage new members to check that the correct monthly contribution deduction is reflected on the Pay slip.

“Retirement Quote”
Retirement may be an ending, a closing ,but it is also a new beginning

Know Your Trustees

Current Board of Trustees for the Scheme

- Dr. Ceylon Mudenda - Chairperson
- Mr. Ronnie Kamanya - Managing Trustee
- Mrs. Betty Meleki - Trustee
- Mr. Martin Musanshi - Trustee
- Mr. Isiah Zimba - Trustee
- Mr. John Phiri - Trustee
- Mr. Roy Sikwibele - Trustee
- Mr. Evan Mwale - Trustee
- Mr. Dickson Hachiboola - Trustee

Board Committees

In order to enhance good Corporate Governance practices the Scheme has the following Board Committees

1. Finance and Investments
2. Administration and Communications
3. Audit and Risk

Vision and Mission

“A pension Scheme recognized for premier member centric service and fund stability.”

“To provide retirement benefits that will sustain members' lives”



Half year performance highlights

Economic overview

Global economy

The projected Global GDP growth in the year 2021 is expected to be around 6%. The growth is likely to be driven by a few major economies as the emerging markets and developing economies continue to deal with challenges arising from the COVID-19 pandemic.

Local economy

The following key economic performance indicators were noted in the quarter ended 30 June 2021.

Annual inflation increased to 24.6% in June 2021 from 22.8% recorded in the month of March 2021. The increase in the annual rate of inflation was mainly attributed to price increases in some food items.

The Monetary Policy Committee at its May 17 – 18, 2021 meeting decided to maintain the monetary policy rate at 8.5%.

The demand for Government securities was stronger than in the previous quarter.

The Lusaka Securities Exchange (LUSE) all share index increased from 4,021 as at 31 March 2021 to 4,611 as at 30th June 2021. Improved performance was recorded particularly on the Lafarge Plc Stock and the African Explosives Limited.

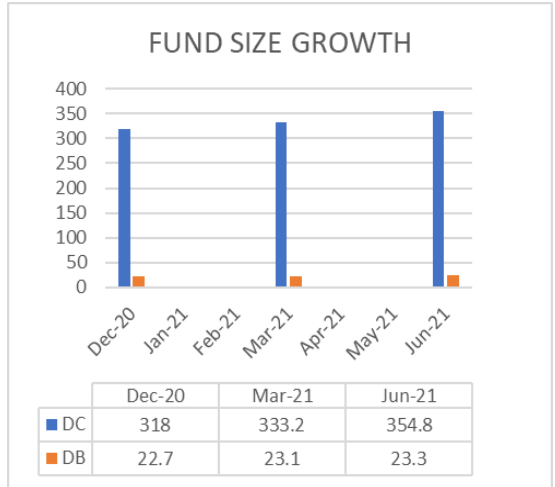


Half year performance highlights

Scheme Performance

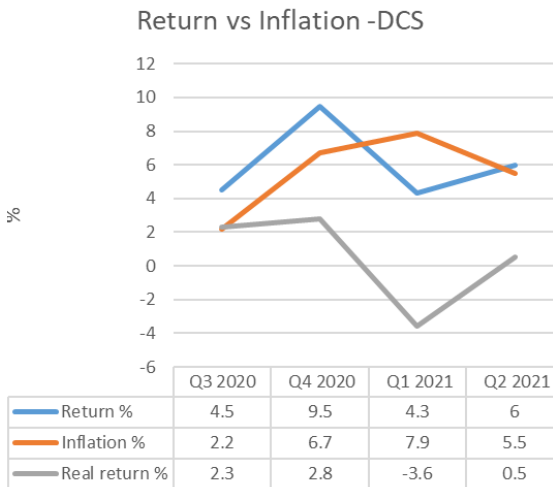
Fund size growth

- ⇒ **The Fund Size for the Defined Contribution Scheme (DCS) Increased by 11.24% between December 2020 and June 2021**
- ⇒ **The Fund Size for the Defined Benefits Scheme (DBS) Increased by 2.4% between December 2020 and June 2021**



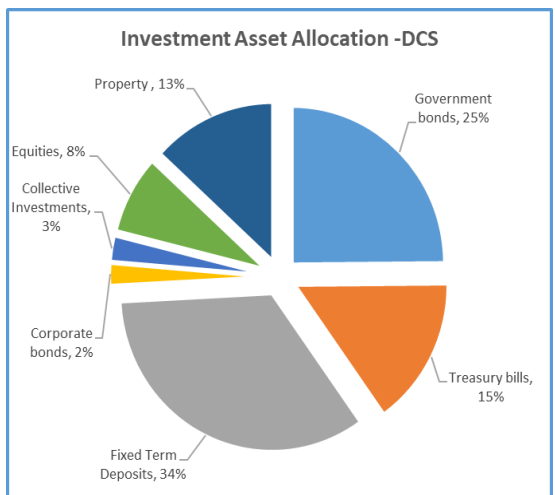
Investment Performance - DCS

- ⇒ **The member benefits growth for the Defined Contribution Scheme is driven by contributions made during the period and investment returns earned.**
- ⇒ **The Scheme aims to deliver an investment return that exceeds inflation in order to grow members funds.**



Investment Asset allocation

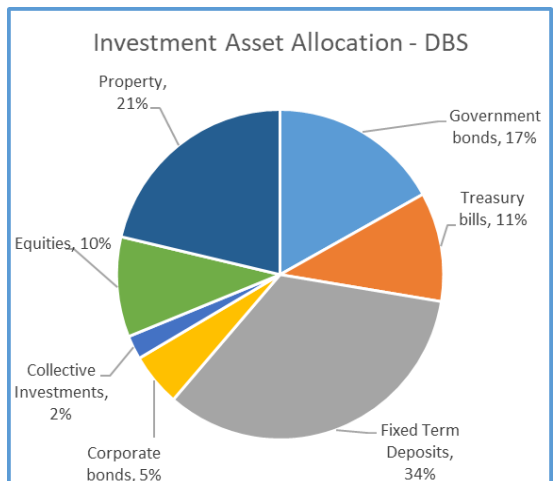
- ⇒ **The Scheme ensures that the investment assets are diversified to achieve the following objectives.**
- 1. Optimize investment returns**
- 2. Manage investment risks**



Investment Quote

"Don't simply retire from something. Have something to retire to." - Harry Emerson

Retirement Planning

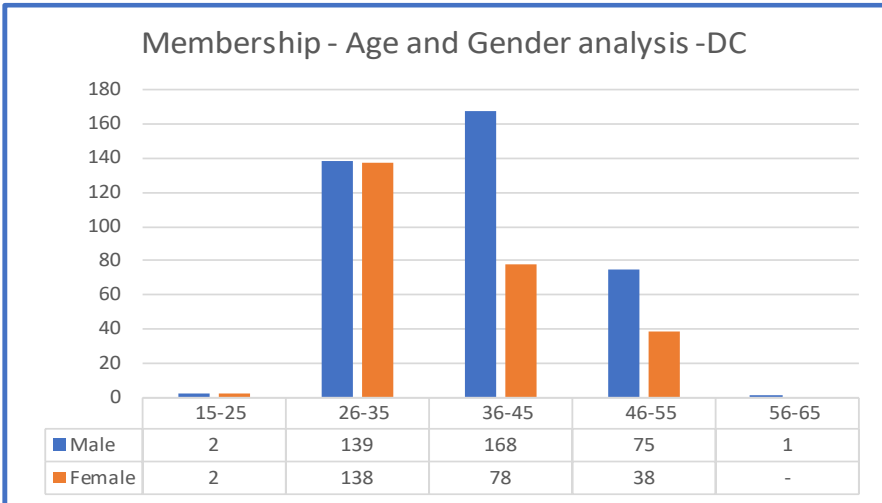




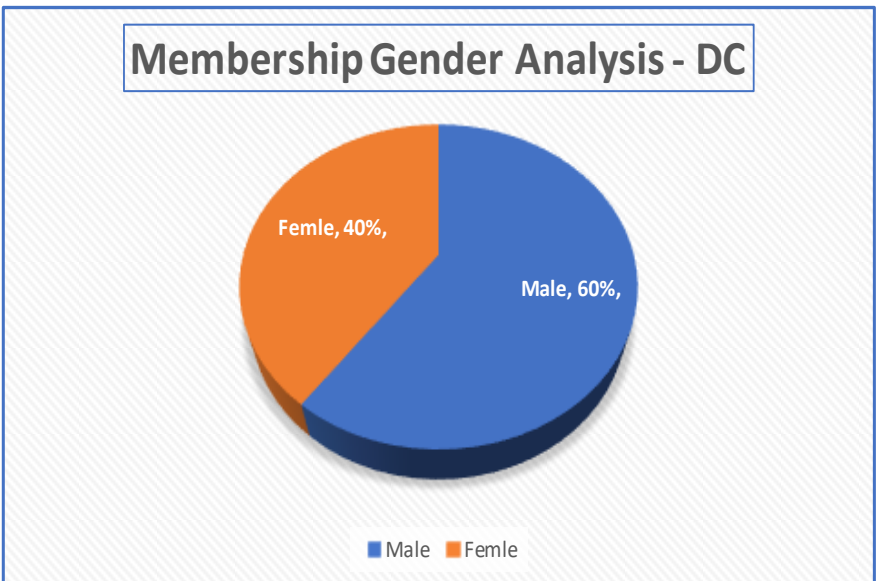
Contributions and Benefits payments - January to June 2021

Naration	DCS ZMW	DBS ZMW
Contributions and Benefits		
Contribution Income	23,748,548	539,220
Benefit Payments	(12,092,785)	(1,415,569)
Net Contribution Income	11,655,763	(876,349)
Number of members		
Active members	641	15
Pensioners		52

Scheme Membership Analysis—DC



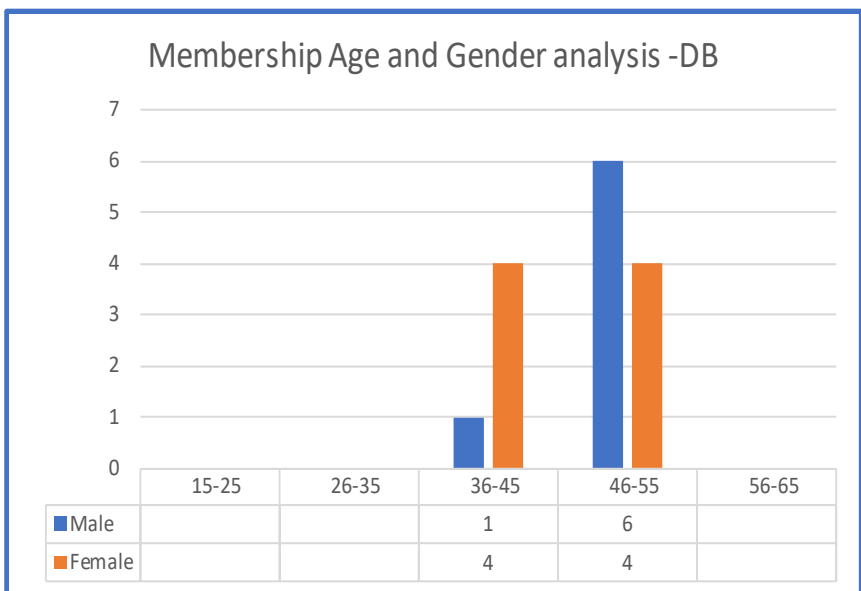
The average age for the Scheme as at 30 th June 2021 was 38 and the gender profile shows that 60% of the total membership are male while 40% are female.



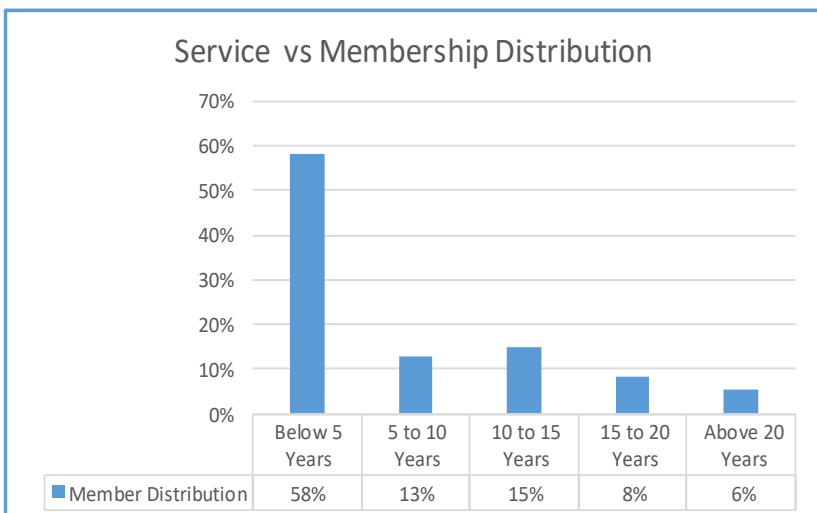
Membership scheme analysis –DC



Scheme membership analysis – DB



The average age under the DB Scheme as at 30th June 2021 was 46. The gender profile shows that 53% of the membership are female and 47% are male





Preparing for Retirement

When is the best time to prepare for retirement?

⇒ ***Preparing for retirement starts on your first day of employment.***

How do I prepare for retirement?

1. On your first day of employment start planning for a pension.

A pension is a post retirement regular payment made to a retiree and/or beneficiaries. Pension benefits are accumulated during the employee's service by means of regular contributions by the Employer and/or the Employee into a pension fund.

2. Determine the level of pension you desire to sustain your livelihood in retirement.

The level of pension desired at retirement is determined by a replacement ratio. A Replacement Ratio is a proportion of a **person's gross salary immediately before retirement that is replaced by the income after retirement**. For instance, Mr. Zulu desires to be earning monthly income of ZMW15,000 after retirement; if Mr. Zulu's gross salary immediately before retirement is ZMW25,000, the replacement ratio is $(ZMW15,000/ZMW25,000) = 0.6$ or 60%. This means the pension is replacing 60% of Mr. Zulu's pre retirement gross salary.

3. How do I make sure that the desired replacement ratio is achieved?

Ensure that your pension contributions are adequate during your employment years to achieve a replacement ratio that will enable you to be financially stable in retirement. To enhance your contributions you can also opt for additional voluntary contributions (AVCs). For more information regarding AVCs you can contact the Scheme .



Member Statements

2020 Members Benefit Statements Issued

Following the successful completion of the 2020 Audits for the Pension Scheme and the declaration of interest for the year ended 31 December 2020, the Scheme proceeded to issue Annual Benefits Statements as at 31 December 2020. The statements were sent via email to individual members.

Members are therefore advised to:

- 1. Sign the acknowledgement form that has been circulated to the various work stations to confirm receipt of the statements.**
- 2. Check that all the details both financial and other personal information are correct. In case of incorrect details, kindly communicate with the Office of the Operations Manager of the NAPSA Staff Pension Scheme on the details provided.**

It is important to ensure that member details are corrected immediately an anomaly is observed, hence you are advised to check the statements thoroughly and provide feedback.



Adjusting to the New Normal

Following the outbreak of COVID-19 pandemic, the NAPSA Staff Pension Scheme has joined in the fight against the further spread of the coronavirus. The Scheme is strictly adhering to the Ministry of Health guidelines.

- ⇒ Physical interactions have been minimized with most of the meetings being held via virtual conference facilities.
- ⇒ Most of the member queries are being resolved timely and communicated through emails.
- ⇒ Members Statements were sent electronically to enable members working from home have immediate access to their statements.
- ⇒ Hand washing facilities, hand sanitizers and face masks have been adequately provided for the staff at the Scheme.

The Scheme further wishes to remind the Staff and its members to continue observing the following:

- 1. Wash your hands regularly and carefully.***
- 2. Avoid touching your Mouth, Ears and Nose***
- 3. Avoid shaking hands and hugging.***
- 4. Cover your Mouth and Nose when coughing or Sneezing.***
- 5. Clean and disinfect surfaces***
- 6. Wear a face mask***
- 7. Self-quarantine if sick.***
- 8. Finally, get vaccinated***

Investments

In the quest to increase the real estate portfolio , the Scheme embarked on a housing development project in Makeni. The construction is in phases and so far phase 1 A, comprising of a block of 12 apartments is at 95% complete.

Once completed, the flats will be available for rent to the public.

The next phase comprising of 2 blocks of apartments and 9 stand alone houses will commence in October 2021.



Clear vu fencing in front of the building



South Eastern view

Makeni Housing Development Project



Car park paving



Living Room



View of External Walls along road Frontage

Makeni Housing Development Project



Bathroom



Kitchen



Chandeliers in 3 Bed Apartments



View of ground floor corridor

Scheme Contact Details

For any communication regarding this Newsletter and any other information concerning the Scheme, kindly use the details below:

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