



Republic of Namibia
Ministry of Finance and Public Enterprises

**THE NATIONAL ASSEMBLY SUBMISSION ON RULE AMENDMENT
NUMBER 5 OF THE MEMBERS OF PARLIAMENT AND OTHER OFFICE
BEARERS PENSION FUND**

Ipumbu Shiimi, MP

Minister of Finance and Public Enterprises

18 MARCH 2025

Honourable Speaker,

Honourable Members,

I rise to submit a request for approval to amend the rules of our Pension Fund, the Members of Parliament and Other Office Bearers Pension Fund.

Honourable members,

In terms of Rule 55 of the rules of our Pension Fund read together with section 5 of the Members of Parliament and Other Office-bearers Pension Fund Act No. 20 of 1999, any amendment to the rules of the Pension Fund must be tabled in and approved by the National Assembly.

It is on this basis that I submit the following rule amendments:

1. Amend the Reserve Account, by adding Rule 14.5, 14.6 and 14.7 to Rule 14, to allow for the creation of a Data Reserve Account, Processing Error Reserve Account and a Risk Reserve Account, respectively, as recommended by the Actuary of the Fund.
2. To replace rule 8.1, which provides a discretion to the Board of Trustees to determine the number of meetings per year, with a new Rule 8.1 which will allow for a minimum number of four (4) trustee meetings to be held in a calendar year, in line with good governance principles.
3. To add a new provision, to be rule 17A, that will require pensioners to provide proof of existence, such as the annual certificate of existence, to confirm whether the pensioner is alive and to ensure that the payment of the pension is made to the correct pensioner.
4. To amend the fund rules' provisions establishing the "retirement date" and other provisions related thereto, to align with the approved Rule amendment number 4, which deals with minimum pension guarantees. The rule provisions being

amended are rule 1, on the definitions of retirement date and ill-health retirement date, rule 33 and rule 34.

5. To amend the retirement benefits applicable to the members of the Fund.

The detailed provisions of the above rule amendments are in Rule Amendment Number 5 appended hereunder.

Honourable Members

The National Assembly, is therefore, requested to approve rule amendment number 5 as per rule 55 of the Pension Fund rules and section 5 of the Members of Parliament and Other Office-bearers Pension Fund Act No. 20 of 1999.

I thank you

APPENDIX

Rule Amendment Number. 5

MEMBERS OF PARLIAMENT AND OTHER OFFICE BEARERS PENSION FUND

RESOLUTION PASSED AT A MEETING OF THE BOARD OF TRUSTEES HELD AT WINDHOEK ON THE 17TH DAY OF MARCH 2025 TO BE EFFECTIVE FROM 20 MARCH 2025

It was resolved that subject to approval by the Registrar of Pension Funds, the rules of the Members of Parliament and Other Office Bearers Pension Fund be amended as follows:

PART I

INTRODUCTORY PROVISIONS

Rule 1: Definitions be amended as follows -

Replacing the definition for **retirement date** and **ill-health retirement date**, and adding a definition for **“pensionable service”** and **“highest pensionable salary”** in Rule 1 with the following:

“retirement date” means -

- a) in relation to a member referred to in 25.1.1, the last day of the month in which he or she ceases to be a member; or
- b) in relation to a member (other than a member referred to in paragraph (a)), the last day of the month in which he or she ceases to be a member.

“ill-health retirement date” means the last day of the month in which a member (with the consent of his or her Employer) retires from office due to ill-health. Provided that such date shall be a date prior to the date on which a member ceases to be a member of the Fund.

“pensionable service” means the number of years of SERVICE (each completed month being taken as 1/12th of a year) during which the **“member”** contributed to the **“fund”** up to the **“retirement date”**.

“highest pensionable salary” means the highest pensionable salary earned by the member at any time prior to the **“retirement date”**.

PART II

MANAGEMENT OF FUND

Rule 8: General be amended as follows -

Replacing Rule 8.1 with the following:

The Chairperson of the board of trustees shall convene the first meeting of the board of trustees and subsequent meetings shall be held at such times and places as the board of trustees may determine, provided that at least four (4) meetings shall be held in a calendar year.

PART III

GENERAL PROVISIONS REGARDING ACCOUNTS AND BENEFITS

Rule 14: Reserve Account be amended as follows -

Adding Rule 14.5, 14.6 and 14.7 to Rule 14 with the following:

14.5 Data Reserve Account

“Data Reserve Account” shall mean the account in which the following transactions are recorded:

a) Credits

- i. Any amounts that the Board, on the advice of the Actuary, transfer to this account in order to maintain the balance in this account at an appropriate level; and
- ii. The net investment return on the amount in the Data Reserve Account.

b) Debits

- i. Amounts transferred to any Account of the Fund as a result of data errors or as deemed necessary by the Actuary;

A level in the Data Reserve Account will be held of not more than 1% of the total Members' Share account and Minimum guarantee liability.

14.6 Processing Error Reserve Account

“Processing Error Reserve Account” shall mean the account in which the following transactions are recorded:

a) Credits

- i. Investment return earned on the Fund's investments, gross of investment fees and other affiliated income, as determined by the Trustees on advice from the Actuary;
- ii. Contributions towards Fund expenses;
- iii. The net investment return on the amount in the Processing Error Reserve Account; and
- iv. Transfers from any Account of the Fund as deemed necessary by the Actuary.

b) Debits

- i. Expenses related to investment fees and Fund expenses;
- ii. Investment return allocated to the Members' Share Account and any other Account of the Fund as determined by the Trustees on advice of the Actuary;
- iii. Late Payment Interest payable; and
- iv. Transfers to any Account of the Fund as deemed necessary by the Actuary.

A level in the Processing Error Reserve Account will be held of not more than 2% of the Members' Share account.

14.7 Risk Reserve Account

“Risk Reserve Account” shall mean the account in which the following transactions are recorded:

a) Credits

- i. Any amounts received from an Insurer in respect of the recovery of insured benefits;
- ii. Contributions towards insurance premiums and funeral benefit funding;
- iii. The net investment return on the amount in the Risk Reserve Account; and
- iv. Transfers from any Account of the Fund as deemed necessary by the Actuary.

b) Debits

- i. Amounts required to meet the Fund's liabilities in respect of death and funeral benefits;
- ii. Insurance premiums; and
- iii. Transfers to any Account of the Fund as deemed necessary by the Actuary.

Rule 17A: Proof of existence be added to the rules to read as follows:

The board of trustees shall require pensioners to provide a certificate of existence annually or any other form of proof of existence as determined by the board of trustees from time to time, such as biometric enrolment and verification, to confirm a pensioner's existence. The board of trustees shall have the discretion to suspend the payment of a pension for the period for which the pensioner's proof of existence remains outstanding. The payment of the pensioner's pension will resume and be

retroactively applied to the suspension date once the pensioner's continued existence has been confirmed by the board of trustees.

PART VI

WITHDRAWAL BENEFIT

Rule 33: Withdrawal Benefit

Replacing Rule 33 with the following:

If a member (other than a member referred to in rule 25.1.1) becomes disqualified in terms of rule 28.1 from being a member of the Fund, such a member shall (unless any other benefit is payable to him or her in terms of these rules) be entitled, subject to rule 34, to the withdrawal benefit set out in the Schedule.

Rule 34. Payment of withdrawal benefit

Replacing Rule 34 with the following:

34.1 A member may, in respect of the withdrawal benefit to which he or she is entitled under rule 33, elect –

34.1.1 to take the amount of such benefit in cash; or

34.1.2 to defer the payment of such benefit in the Fund until he or she ceases to be a member; or

34.1.3 to transfer the amount of the withdrawal benefit to an approved retirement annuity fund.

34.2 member may at any time, elect to transfer the withdrawal benefit deferred in terms of rule 34.1.2 to an approved retirement annuity fund.

PART VII
RETIREMENT BENEFITS

The rules are hereby amended as follows:

Members who joined the Fund between 20 March 2015 and 20 March 2025, and who are alive as at 20 March 2025, will be entitled to guarantee of the greater of:

the benefit in Part VII (c) to (h),

and

the benefits set out in Part VII (i) to (k).

The above benefits are not applicable to spouse pensioners who are alive as at 20 March 2025.

The following paragraphs are added after paragraph (h):

These paragraphs are applicable to all members who join the Fund after 20 March 2025:

- i) Notwithstanding anything to the contrary, contained in these rules, the retirement benefit (before commutation) payable to a member who is retiring shall not be less than:

- (a) 1/15th of his HIGHEST PENSIONABLE SALARY

- Multiplied by

- (b) His period of PENSIONABLE SERVICE,

- Subject to a maximum of 70% of the HIGHEST PENSIONABLE SALARY

- j) The cost of the minimum pension guarantee is met by the Employer.
- k) The full guarantee is applied in the form of an increased pension to the member's balance pension after commutation.

The reasons for Rule Amendment Number 5 are as follows:

- a) To allow for the creation of a Data Reserve Account, Processing Error Reserve Account and a Risk Reserve Account.
- b) To allow for a minimum number of four (4) trustee meetings to be held in a calendar year, in line with good governance principles.
- c) To confirm whether the pensioner is alive and to ensure that the payment of the pension is made to the correct pensioner.
- d) To amend the Fund rules' provisions establishing the "retirement date" and other provisions related thereto.
- e) To amend the retirement benefits applicable to the members of the Fund.

We, the undersigned, hereby certify that in terms of Master Rule 55 of the Rules of the Members of Parliament and Other Office Bearers Pension Fund, the Board of Trustees resolved to amend the rules of the Fund and adopt this amendment on the date on the Registrar's approval date.

Signed at Windhoek on this _____ day of _____.

_____ _____
Chair: Board of Trustees **Date**

_____ _____
Board Member **Date**

_____ _____
Principal Officer **Date**