

Swaziland National Provident Fund



Information for Members



Your Future, Your Life

Swaziland National Provident Fund

Information for Members

The Swaziland National Provident Fund is a savings scheme, the principal purpose of which is to provide benefits for employed persons when they retire from regular employment in old age or in the event of becoming incapacitated. The employer is responsible for paying statutory contributions for every employee who is eligible to become a member of the Fund, but is given authority to take what is termed as employees share of this contribution from wages currently one-half of the statutory contribution payable.

Administration

The Fund is administered by an independent Board appointed by the Minister for Labour and Social Security under the provisions of the Swaziland National Provident Fund Order, No. 23 of 1974.

The Board is constituted as shown hereunder: -

- Principal Secretary – Ministry of Finance
- Principal Secretary – Ministry of Labour and Social Security
- Commissioner of Labour

One representative from the Ministry of Home Affairs

- Two representatives from Swazi National Council
- Three representatives from Employer Associations
- Three representatives from Employee Associations
- The Chief Executive Officer

In selecting the employer and employee representatives, the Minister consults the employer federations and employee Federations. In this way it is expected that any names proposed by these organizations are those of people

nominated by their affiliated bodies.

So as to ensure that employers and employees know what the Provident Fund Board does, it is expected that the representatives report to their federations on a regular basis in whatever manner the federations might have arranged.

Contributing Employers

All employers are required by law to register with the Fund in terms of Registration of Contributing Employers' Order 1975. Employers of domestic workers, however, are exempted from registering with the Fund at the moment.

A religious organization, church, mission etc., may also apply to the Fund to make contributions in respect of its minister(s) of religion, although technically a Minister is not an employee. Registered employers are supplied with a comprehensive guide by the Swaziland National Provident Fund giving full information about the scheme's operations, including the detailed arrangements for collecting and accounting for contributions.

Eligible Employees

Every regularly employed Swazi citizen (there are no lower or upper age limits for members) who is employed by a registered employer under any type of contract of service, written or oral, unless engaged in an exempt category of employment, is eligible to have contributions paid in respect of him and to become a member of the Fund. If his employer takes him to work outside Swaziland, he remains an eligible employee as long as he is deemed to be ordinarily resident in the Kingdom.

Exempt Employees

There are certain categories of employees, who although their employers may have to register, are not themselves eligible to have contributions paid to the Fund in respect of them.

These employees are:

- (a) Non-citizens of Swaziland
- (b) Persons in the Public Service who are eligible for pension benefits under the Pension Order, 1993.
- (c) Senior University staff who are entitled to receive benefit under the Federation Superannuation Scheme for Universities;
- (d) Whole-time students of any university or institution for further education or vocational training who obtain vacation employment;
- (e) School learners who take up temporary employment pending admission for a whole time course at a university or institution, provided that the admission occurs within two years from the date the person left school and took up such temporary employment.
- (f) Domestic workers employed in private households; and
- (g) Casual employees

Casual Employees

A casual employee is a person employed on a daily contract of service who has been employed by his employer for a continuous period of less than one month. Such persons are not eligible to become members of the Fund.

Registration for Membership

For purposes of identification, all employees must have a personal identity number (PIN) and graded tax identity

number obtained from the Swaziland Revenue Authority. The graded tax number is currently in the process of being replaced by the national Personal Identity Number (PIN).

The member's account number in the Fund will be the digits after the first six of the tax-payer's personal number and in the case of the PIN; it will be the whole number. The code number linking the taxpayer to his region and chief are the first four digits, respectively. Digits five and six link the tax payer to his Indvuna. In the case of the PIN, the first six digits signify the member's date of birth, the seventh the person's gender, the next four the member's serial number and the last one is a control digit.

On receipt of information from an employer concerning the workers identity, i.e. full names and Graded Tax Number and PIN, the Fund will open an account in that individual's name. All contributions from successive employers will be posted to that account. So it is important that Graded Tax Clearance Certificates and related documents are not lent to friends or relatives – great care should be taken of Graded Tax Clearance Certificates because if they fall into the wrong hands the rightful owner may lose his contribution credits to a wrong person. A year of birth must be supplied by a member to his employer for the Fund's purposes.

Two Graded Tax Certificates

No member of the Fund should have more than one Graded Tax number and, if the member has two or more Graded Tax Certificates with different identity numbers or knows that registration with the Income Tax Department or Swaziland Revenue Authority has been more than once,

he should inform the Swaziland Revenue Authority and his employer accordingly, who in turn should inform the Funds office.

Change of Employment

A member of the Fund who changes his employment must first collect his Graded Tax Clearance Certificate from his last employer and produce it to his new employer so that the National Provident Fund contribution remitted to the Funds office in respect of him will be credited to the correct account. He should also collect a Contribution Record Card (NPF 101) from his last employer so that he can see what contributions have been made in respect of him for the current year.

A person who cannot produce his/her graded tax clearance certificate cannot be paid his benefits once they become due. At this time the member must produce his graded tax clearance certificate and inform the Fund where he worked right through his working history to enable the Fund to trace his contributions.

It is obvious, therefore, that the non-production of a graded tax clearance certificate by a member eventually contributes to enormous delays and loss of contributions when a benefit has to be paid. It is for this reason that all members of the Fund are urged to ensure that their graded tax numbers and PINs are supplied to the Fund as explained above.

Statutory Contributions

Whilst the employer is responsible for paying to the Swaziland National Provident Fund office, each month, a statutory contribution related to each worker's earnings during the month, he is given authority to recover what is termed "employee's share" from employee's wages paid. The employee's share is currently half of the appropriate statutory contribution, and employers have authority to deduct the employee's part of the contribution from wages at the time of their payment.

It is illegal for the employer to recover arrears of contributions from current wages. The table below illustrates how the amount of a monthly statutory contribution is shared between employer and employee:-

Example of Provident Fund contribution table

Employee's Monthly Earnings	Employee's Share of Contribution		Amount added By Employer		Total S.N.P.F Monthly Contribution	
	E	c	E	C	E	C
300	15	00	15	00	30	00
400	20	00	20	00	40	00
500	25	00	25	00	50	00
600	30	00	30	00	60	00

How the Member's Account Grows

Throughout the member's working life, all his National Provident Fund contributions are paid into his account with the Fund. After the first month, interest is added monthly, the rate of interest being decided each year by the Swaziland National Provident Fund Board. At the end of each financial year a statement of account is sent to the member updating him of contributions received during the statement year and the accumulated amount thereof.

Protection of Contributions and Benefit Accounts

All money in the Fund is vested in the Provident Fund Board and member's accounts are fully protected against seizure by creditors. A member's contribution credit can only be drawn to pay a benefit to the member or his survivors.

Funds' Investments

It is important for members to know where the money that is used to grow their accounts comes from. The Funds' investments are controlled by a special committee called Investment Committee consisting of the Principal Secretary, Ministry of Finance (who becomes chairman of the committee), and two members of the public experienced in financial matters and the Chief Executive Officer of the Fund. On receipt of the contributions, the Fund, through its Investment Committee invests the money in the best way possible. In terms of the Order, the Fund deducts from the total returns collected each year, administration costs i.e. salaries, motor vehicle expenses, travelling costs etc. From what has remained, the Fund pays interest to all members' accounts at the rate determined by the Board from year to

year.

This rate of interest shall be fixed by the Board in such a way that a surplus remains for credit to the reserve account in compliance with the provisions of the Order.

Benefits

The main aim of the Provident Fund is to provide the member with some means of support in his old age, so that he will not be wholly dependent on his family or public funds when he is no longer employed. There are, however, other occasions where the member is eligible for benefit from the Fund, and these are explained below.

The benefit is paid in one amount or in a limited number of installments, at the discretion of the Chief Executive Officer, but there is an annuity purchase scheme which can provide a member with an income for life during retirement or on being totally incapacitated from work due to injury or ill-health.

Age Benefit

Benefit on age grounds is paid when the member is at least 50 years of age, but it can be claimed before then as a "retirement benefit" if the member is at least 45 years of age and has retired from regular employment or become self-employed.

A member's age is normally determined – in the absence of any documentary proof – by the employer, but, if there is any dispute as to age, the Chief Executive Officer is given authority to decide a member's date of birth for the

purpose of any benefit.

If a member, having qualified for age benefit at 50 years, continues to work, Provident Fund contributions are payable by his employer, he builds up credits afresh. He must then wait two years, however, before claiming a benefit again.

Unemployable/Disability

Benefits can be paid to a member who has had the misfortune to become permanently unemployable through physical or mental disability; incapacity for work is assessed having regard to medical factors. A medical report is therefore essential for purposes of paying a benefit under this claim type.

Supplementary Contribution

A supplementary contribution may be deducted from an employee's wages in whole or in part depending on the agreement reached between the employer and the employee. On leaving the employer for any reason and at whatever age, the amount paid to the Fund as a supplementary contribution becomes claimable by the Member, with interest in the event that he decides to claim it. Other than leaving the employer's service, the amount is included in a member's benefit when he has claimed on age or any of the qualifying grounds.

Emigration Benefit

If a member satisfies the Chief Executive Officer that he is about to emigrate, or has emigrated from Swaziland with no intention of returning to the Kingdom, an emigration benefit is payable without regard to age.

Survivor's Benefit

If a member dies before qualifying for a personal benefit, the amount in his benefit account is available to surviving members of his family as a survivor's benefit. Such a benefit is payable in accordance with the provisions of the SNPF Order No. 23 of 1974.

SIPHEPHELO FREE FUNERAL PLAN

Background

This is a non-contributory funeral policy for members of the Swaziland National Provident Fund. It provides a funeral benefit to the member's next kin in the event of a qualifying member's death.

Benefits

This policy offers the following benefits to the deceased member's next of kin

- A total cash sum of E5,000.00 with effect from 1st August 2013.

Additional Benefit

- Double accidental death-cover (this includes car and occupational accidents that will not be found to have been self-imposed)

Qualifications

The member must meet the following qualifications to be entitled to the funeral benefits:

- The member must be an active member of the Fund at the time of his death and
- At the date of death, contributions in respect of the deceased member must have been paid to the Fund for

at least 3 consecutive months of the 12 months preceding that date.

Claiming Procedures

Benefits claiming requirements under this Policy shall be as follows:

- The lodgment of a claim for a funeral benefit must be done not later than six months from the date of the member's death, failing which the claim shall not be accepted.

The following documentation shall be supplied to the Fund by the claimant or deceased member's next of kin in the course of submitting a claim for a Benefit:

- a) Completed claim form
- b) Original copy of the deceased member's valid death certificate;
- c) Copy of the deceased member's Swaziland National Identity Card and Graded Tax Clearance Certificate;
- d) Employer's letter confirming death of member and the recorded next of kin;
- e) Claimant's Swaziland National Identity Card
- f) Such other supporting documentation as the Fund may reasonably require.
- g) The Fund shall admit or reject or request further evidence in respect of a claim within a reasonable period after receipt of the information required in terms of Clause (a) and (b).

In the event of a request for further evidence by the Fund, the claimant or the deceased next of kin shall be required to supply such further evidence to the Fund within one week of the Fund's request..

Effective Date

The effective date of this policy is 10th August 2011 being the date of the publication of the Government Gazette giving effect of the policy.

Member Nomination of Survivors to Receive Benefit

As soon as a member of the Fund has some contributions in his account he may nominate the member (s) of his family he wishes to receive the benefit in the event of his death.

The marriage of a member is deemed to revoke any prior nominations made by him and if, on the death of a member, no new nomination has been made since marriage, the Chief Executive Officer will pay the benefit to the surviving spouse or if there is more than one surviving spouse, divide the benefit amount to them in such proportions as he may, deem fair and just.

In the absence of any surviving spouse, the Chief Executive Officer may make payment to his child's or children's guardian for the use on the child's or children's behalf, on A members contribution with the Fund are not part of a Members estate.

As explained earlier, the statutory contributions credited to a member's account in the Swaziland National Provident Fund are vested in the Board and consequently the contributions or the benefit represented by such contributions do not form part of the estate of a deceased member. Thus the moneys of the deceased will not necessarily be distributed to persons entitled to the deceased's estate under customary law, but will be paid to any persons nominated

by the member.

In the absence of any nominations, the Swaziland National Provident Fund Order lays down the procedure which the Chief Executive Officer of the Fund must follow in dealing with the administration of such a benefit.

Nomination Forms

Nomination forms may be obtained from the Funds offices and should be completed and returned to the Chief Executive Officer of the Fund for safe keeping. Under no circumstances should a duly completed nomination form be kept by the member or his employer. Such an act renders the nomination invalid.

Payment of Benefits

Benefits payments are made through electronic funds transfer system (EFT). The EFT allows the member's benefit to be paid direct into the members' bank account. For an EFT payment to be made, the member needs to submit his/her bank statement at the lodgement of his or her claim.

Lodgement of claims

Claims for a benefit may be lodged with any of the Fund's offices listed hereunder;

OFFICE	DAY AND TIME	TEL. NO
Piggs Peak	Mondays - Thursdays 8.00 a.m. – 4.45 p.m.	
	Friday 8.00 a.m. – 4.30pm	2437 1149
Mbabane Dlanubeka house	Mondays - Thursdays 8.00 a.m. – 4.45 p.m.	
	Friday 8.00 a.m. – 4.30pm	2404 2804/ 2404 5736
Manzini Headquarters	Mondays - Thursdays 8.00 a.m. – 4.45 p.m.	
	Friday 8.00 a.m. – 4.30pm	2508 2000
Mankayane (D.C Offices)	Mondays only 9.00 a.m. – 3.30pm	2538 8282
	Nhlangano Mondays - Thursdays 8.00 a.m. – 4.45 p.m.	
Siteki	Friday 8.00 a.m. – 4.30pm	2508 2000
	Mondays - Thursdays 8.00 a.m. – 4.45 p.m.	
Simunye	Friday 8.00 a.m. – 4.30pm	23434386
	Wednesdays and Thursday 9.00 a.m. – 3.30pm	23838984
Big Bend	Tuesday 9.00 a.m. – 3.30pm	
	Fridays 9.00 a.m. – 3.30pm	2363 6415
Matsapha	Mondays – Thursdays 8.00 a.m. – 4.45 p.m.	
	Friday 8.00 a.m. – 4.30pm	2518 7104/ 25186061

Swaziland National Provident Fund



Information for Members



Your Future, Your Life