



REPUBLIC OF ZAMBIA

# MINISTRY OF LABOUR AND SOCIAL SECURITY

OFFICE OF THE PERMANENT SECRETARY  
NEW GOVERNMENT COMPLEX  
INDEPENDENCE AVENUE  
KAMWALA  
P.O. BOX 32186  
LUSAKA

## PRESS STATEMENT FOR IMMEDIATE RELEASE

### STATUTORY INSTRUMENT NO. 3 OF 2024, THE NATIONAL PENSION SCHEME (PENALTY WAIVER) REGULATIONS, 2024.

---

THE MINISTRY OF LABOUR AND SOCIAL SECURITY IS PLEASED TO INFORM THE NATION THAT IT HAS ISSUED A STATUTORY INSTRUMENT ON THE NATIONAL PENSION SCHEME (PENALTY WAIVER) REGULATIONS, 2024 ON THE 9<sup>TH</sup> OF JANUARY, 2024.

THIS STATUTORY INSTRUMENT IS ISSUED IN LINE WITH SECTION 15(3) OF THE NATIONAL PENSION SCHEME ACT TO PROVIDE FOR THE TERMS AND CONDITIONS FOR THE APPLICATION AND GRANTING OF PENALTY WAIVERS UNDER THE NATIONAL PENSION SCHEME AUTHORITY (NAPSA) TO EMPLOYERS WITH OUTSTANDING PENALTIES ON CONTRIBUTIONS.

THE STATUTORY INSTRUMENT PROVIDES FOR THE FOLLOWING CONDITIONS UNDER WHICH NAPSA CAN ISSUE A PENALTY WAIVER:

- I. A BUSINESS OR EMPLOYER UNDERGOING LIQUIDATION, UNDERGOING BUSINESS RESCUE PROCEEDINGS AND IN RECEIVERSHIP IN ACCORDANCE WITH THE CORPORATE INSOLVENCY ACT, 2017;
- II. A BUSINESS OR EMPLOYER WHO FAILS TO PAY A CONTRIBUTION DUE TO A VERIFIABLE FAILURE OF THE AUTHORITY'S ADMINISTRATIVE AND PAYMENT SYSTEM;
- III. A BUSINESS OR EMPLOYER UNDERGOING BANKRUPTCY PROCEEDINGS IN ACCORDANCE WITH THE BANKRUPTCY ACT; AND,

IV. A BUSINESS OR EMPLOYER WHO INCURS A PENALTY DUE TO NATURAL DISASTER, STATE OF WAR, AND PUBLIC EMERGENCY.

THE STATUTORY INSTRUMENT ALSO PROVIDES FOR CONDITIONS UNDER WHICH PENALTIES INCURRED DURING THE COVID-19 PANDEMIC PERIOD FROM 14<sup>TH</sup> MARCH 2020 TO 8<sup>TH</sup> SEPTEMBER 2022 CAN BE WAIVED BY NAPSA. THE WAIVER ON PENALTIES ACCUMULATED DURING THE COVID-19 PANDEMIC PERIOD RANGE FROM 75 PERCENT TO 100 PERCENT.

TO PROVIDE SOME FINANCIAL RELIEF TO BUSINESSES AND EMPLOYERS WHO HAVE ACCUMULATED PENALTIES DUE TO REASONS OTHER THAN COVID-19, BUT BEFORE 9<sup>TH</sup> JANUARY 2024, THE STATUTORY INSTRUMENT PROVIDES FOR PENALTY WAIVERS OF BETWEEN 60 PERCENT AND 75 PERCENT.

THE WAIVER ON PENALTIES ARE TIME-BOUND AND SHOULD BE PAID WITHIN TWO YEARS OF APPROVAL. I, THEREFORE, URGE EMPLOYERS AND BUSINESSES TO TAKE ADVANTAGE OF THIS PENALTY WAIVER BEFORE THE LAPSE OF TIME.

THE GOVERNMENT IS COGNISANT OF THE NEED TO PROTECT THE FUTURE OF THE WORKERS WHO CONTRIBUTE TO THE NATIONAL PENSION SCHEME AUTHORITY. IN VIEW OF THIS, ALL PENALTY WAIVERS WILL ONLY BE GRANTED IF THE EMPLOYER OR BUSINESS HAS SETTLED ALL OUTSTANDING PRINCIPAL CONTRIBUTIONS FOR THE APPLICATION PERIOD.

FURTHER, THE NATIONAL PENSION SCHEME AUTHORITY RESERVES THE RIGHT TO REVOKE A WAIVER THAT WAS OBTAINED THROUGH FRAUDULENT MEANS OR BASED ON FALSE INFORMATION.



Godfrida Chanda-Chisala  
PUBLIC RELATIONS OFFICER  
MINISTRY OF LABOUR AND SOCIAL SECURITY

17<sup>th</sup> January, 2024