

# IMPROVED LIVELIHOODS THROUGH INCLUSIVE SOCIAL SECURITY - LEAVING NO ONE BEHIND

## PRESS STATEMENT

Thursday 5<sup>th</sup> July, 2018

The *past 3- 5 years* have seen a robust and vibrant approach to improved social protection as a tool for better welfare of various members of the Zambian population. The Government of the Republic of Zambia has recognised, reaffirmed and practically committed to uplifting the welfare of the vulnerable in society through the implementation and improvement of various social protection interventions as part of their efforts to lift people out of the vicious poverty cycle and ensure that individuals lead decent livelihoods with dignity, the Government has adopted inclusive and sustainable social protection intervention practices.

Although the most common contributory social welfare interventions as enshrined in the National Pension Scheme Act of 1996 are highly skewed towards the formal sector. Most recently, Government recognised and sought to rectify this by making the implementation of the Act more inclusive not leaving out persons in the informal sector. The National Pension Scheme Authority (NAPSA) instituted by the National Pension Scheme Act of 1996, has recently increased efforts to include self-employed, casual workers, domestic workers and others in the informal sector in the social welfare scheme. Most notably, domestic workers, taxi and bus drivers have been the target of the awareness drive for improved social welfare for improved livelihoods. NAPSA is utilising a robust outreach and communication strategy constituting radio and television adverts to create awareness on the need for employers of domestic workers to register their employees with NAPSA.

It is incumbent upon all Zambians to further increase public awareness on the benefits of social security and more specifically the benefits which can be accrued through registration with NAPSA. Domestic workers and their employees must be aware that, by being registered with NAPSA and paying contributions to the Authority, employers and employees ensure that the three major benefits provided by the pension fund are covered and these include (invalidity, old age and survivors). Benefits are normally paid in form of a monthly pension but members who fail to meet the minimum requirements for a pension are paid a lump sum. Other key benefits that the employees receive are a lump sum funeral grant, which is a one off payment upon the death of the employee.

The requirement as stated by Act is that both the employee and employer (jointly) must contribute 5% each of the employees monthly salary to the pension scheme.

**Section 51 and 52 highlight the offences and penalties under the National Pension Scheme Act No. 40 of 1996 and these include;**

- Evading payment of contributions
- Failing to register within the period specified
- Failure to provide information or providing false information
- Obstructing an inspector, officer or servant of the scheme in the discharge of his duties and
- Failing to produce documents when requires to do so without a lawful excuse.

The above listed offences attract various penalties specified in the Act and anyone who is found guilty of an offence is liable on conviction to a fine not exceeding 1000 penalty units, or to imprisonment for a term not exceeding three months, or both. The Act further consists of a provision for the court to order offenders to pay all outstanding contributions and penalties due to the pension scheme at a specified date.

Besides the legislative backing of the requirement of all domestic workers to register with NAPSA, it is important to note that the benefits of this registration are key to reducing poverty, improving the general welfare of all without leaving anyone behind and above all, improving the general social protection efforts which must be recognised as a human right for all Zambians.

PMRC commends the Government through the relevant bodies (NAPSA) for the robust approach taken towards improving the livelihoods of Zambians through inclusive social security. The organization is confident that the measures taken to implement the Act will improve the welfare of the general population (especially those in the informal economy- specifically domestic workers).

PMRC will continue to advocate for more robust and progressive approaches to be developed and implemented to ensure all sections of the informal economy are adequately covered by the scheme.

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