

## **When can I receive my benefits?**

You can claim your retirement benefit when you are 60 years of age, if you are unemployed at that age. If at age 60 you are still employed, then you can claim your benefit when you finally retire or reach the age of 65, whichever comes first. If you have been working in a job category classified by N SSA as arduous for seven of the 10 years prior to turning 55 and are unemployed at that age, you can claim your benefit at age 55. Work classified as arduous includes farm work and some mining and quarrying jobs.

## **If I retire at an earlier age than 60 can I claim my benefit then?**

Only if you have been working in a job classified as arduous for seven of the 10 years prior to reaching the age of 55 and if you are 55 or older.

## **If I leave my job when can I collect my pension contributions?**

You cannot collect your contributions. Your contribution record continues from one job to another, since the scheme is a national one, unlike occupational pension schemes which are linked to your employment. Building up your contribution period is important since it affects the benefit you receive and its size when you reach retirement age.

## **I have retired from my job. I am 45 and don't think I will get another job. How can I claim my benefit?**

You cannot receive your retirement benefit until you reach the normal N SSA pension retirement age of 60.

## **Why do some people receive a monthly pension and others receive a lump sum payment?**

to qualify for a N SSA retirement pension one must have contributed to the pension scheme for at least 120 months. If you have contributed for less than that, but more than 12 months, a once-off grant is payable.

## **What happens if you have contributed for less than 12 months when you reach retirement age?**

Your contributions are refunded with interest.

## **If you are over 60, but still working, can you be paid your pension?**

Only if you are over 65. Between the ages of 60 and 64 you can claim your pension if you are no longer working. If you are still working you should still be contributing to the pension scheme. Once you reach the age of 65 you are eligible for your pension whether or not you are still working. You should stop contributing to the pension fund and claim your pension.

**What happens if I continue contributing to the pension fund after age 65?**

Only the contributions made up to the time you turn 65 will be considered when determining your contribution period. You can claim a refund of contributions paid after the age of 65.

**I turned 60 several months ago. Why have I not received my retirement benefit?**

You have to submit claim form P9/P10 to NSSA duly completed by yourself and your last employer so that your claim can be processed and arrangements be made to pay you your benefit.

**Does everyone receive the same pension amount?**

No. Pensions vary according to the individual's contribution period and insurable income on retirement.

**How is a person's pension calculated?**

It is calculated by multiplying the individual's monthly insurable earnings at retirement (currently the maximum insurable earnings figure is \$200) by the number of years he/she has contributed by a fixed factor of 1,333%. If the result of this calculation is less than \$40 then the minimum pension of \$40 is paid.

**What is meant by insurable earnings?**

Insurable earnings are the earnings on which a person's pension contribution is calculated. They could be the same as actual basic earnings or they could be a lesser figure if there is a maximum insurable earnings ceiling in place and one's basic salary is higher than that ceiling.

For instance at present an employee contributes to the national pension scheme three percent of his/her basic earnings up to a maximum insurable earnings limit of \$200 per month. That means the insurable earnings of a person earning \$160 per month is \$160, but the insurable earnings of anyone earning more than \$200 per month is \$200 no matter how much his/her actual income may be.

**What is meant by replacement rate?**

The replacement rate is the percentage of a person's insurable earnings at retirement that the pension replaces. The longer the contribution rate, the higher the replacement rate.

**What happens if a contributor or pensioner dies?**

A funeral grant, which is currently \$200, is payable to the person responsible for paying for the funeral.

The funeral grant can be processed and paid while the applicant waits, if he/she has the necessary documentation.

A survivor's benefit is payable to the deceased contributor's or pensioner's spouse and children or, if there is no spouse and there are no children, other close relative specified as a beneficiary when the contributor registers.

The survivor's benefit is normally 40% of what the contributor would have been entitled to, but the minimum survivor's pension is currently \$20, which is 50% of the minimum pension of \$40.

**For more information and Legal Advice**



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