

# National Pension Scheme Authority

## Revision of NAPSA Contribution Ceiling for 2015

***Under the provisions of the National Pension Scheme Authority (NAPSA) Act, 1996, every person who is employed by a company in Zambia which is required to register with NAPSA must register as a member of the scheme. Both Zambians as well as non-Zambians working in Zambia must be registered as members. The only exception being staff that have diplomatic status or those that work for international organisations.***

***Both the employer and employee are required to make monthly contributions based on the employee gross earnings.***

***The monthly maximum employer and employee contribution payable to NAPSA has increased to K 1,592.40 (K1,584.10 in 2014) for income earned between 1 January 2015 and 31 December 2015.***

***The contribution rate remains at 10% (subject to the ceiling K 1,592.40) of an employee's total monthly earnings.***

***Payments for NAPSA contributions should be made to NAPSA on the 10<sup>th</sup> of each month following the month of payment of salaries.***

***We highlight below the revised 2015 employer and employee requirements for your information:***

### ***Employer requirements***

- The employer is required to contribute 5% of the employee gross emoluments, with a limit of up to **K796.20** per month (K792.05 in 2014).

- The employer is responsible for administering the scheme by deducting the employees' contribution from employee emoluments and paying over both the employer and employee contributions to NAPSA on a monthly basis.

### ***Employee requirements***

- The employee is required to contribute 5% of his/her gross earnings, with a limit of up to **K796.20** per month (K792.05 in 2014);
- The employee is granted some tax relief for contributions made to NAPSA or any other ZRA approved pension scheme;
- Currently, the income tax relief for the contributions paid is limited to the lower of K255 per month or 15% of the employee's emoluments.

### ***Penalties***

- Failure to account for NAPSA on a timely basis will render the employer liable to a penalty of 20% of the unpaid contributions.

***Please note that the new NAPSA limits are effective from 1 January 2015.***

***Accordingly, please update your payroll systems to reflect the new ceiling of K796.20.***

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