



LOCAL AUTHORITIES PENSION FUND

DEPLOYMENT OF MONTHLY PENSION PAYROLLS TO MEMBER LOCAL AUTHORITIES

1. BACKGROUND

- 1.1 We draw your attention to the circular dated 6 October 2014 in connection with the deployment of monthly pension payrolls to local authorities (copy enclosed for easy reference).
- 1.2 The Fund wishes to register its sincere appreciation to the member local authorities which have taken on board the initiative to pay monthly pensions on behalf of the Fund in respect of their ex-employees and beneficiaries.
- 1.3 Following our experience in respect of deployed monthly pension payrolls and assessment of their implementation and functionality we wish to adjust certain elements thereof as highlighted hereunder.

2. CLARIFICATION ON PROCESSING OF DEPLOYED PENSION PAYROLLS

- 2.1 With regards to payments rejected by banks due to closed or incorrect bank accounts we have observed that some local authorities are effecting the changes to pensioners banking details and proceeding to pay the respective rejected amounts. This practice is a violation of the Fund's laid down deployed pension payrolls processing procedures. It should be noted that the maintenance of the payroll data as well as any amendments thereto remains the **sole responsibility** of the Fund.
- 2.2 Some local authorities seem to be creating their own bank schedules by inserting pensioner records of pensioners not appearing on schedules due to various reasons (e.g unreturned life certification forms, returned mail, invalid bank account numbers etc). In addition it has been observed that some member local authorities are computing pension arrears in respect of pensioners which differ from the figures on the Fund's schedules thereby prejudicing pensioners by paying them incorrect pension arrears.
- 2.3 We have noted that some member local authorities are not submitting completed JF5 forms as proof of payment in line with step 3 of the flow chart circulated in October 2014 (copy enclosed for easy reference). We wish to remind Local Authorities that whenever a pensions payroll has been settled a **fully completed** JF5 form accompanied by the proof of payment (e.g RTGS form) together with detailed schedules showing names of pensioners, bank accounts and pension amounts paid should always be submitted to the Fund within **14 working days of date of payment**.

2.4 We wish to reiterate that the preparation of pension payrolls and the maintenance of the respective data remains the **sole responsibility** of LAPF and member local authorities should only facilitate payment thereof. It is mandatory that local authorities comply with the stipulated requirements as well as the provisions clarified in this circular.

3. **2017 LIFE CERTIFICATES**

Due to system related challenges there has been a delay in the production of the 2017 life certification forms. Therefore, member local authorities are urged not to issue these forms but to advise pensioners to await receipt of the bar-coded forms from the Fund. However, member local authorities may issue these forms to pensioners whose records would have been suspended due to non-submission of these forms in the past.

**Throgmorton House
Harare**

**By order of the Management Committee
C Mandizvidza
Chief Executive**

2 December 2016