

GUIDELINES FOR THE TRANSFER OF NSITF CONTRIBUTIONS INTO EMPLOYEES RETIREMENT SAVINGS ACCOUNT

1.0 INTRODUCTION

The Pension Reform Act, 2004 (the Act) provided that contributions into the NSITF scheme (the Scheme) together with accrued income shall be transferred into members' Retirement Savings Accounts (RSAs) after the expiration of the 5 years moratorium i.e. from July, 2009. The Act also provided that the Commission should supervise the transfer.

As part of efforts to establish the amount to be transferred on behalf of each contributor to the NSITF scheme, Trustfund had sent statement of accounts to the contributors. In addition, Trustfund and the Commission had placed advertisements in the national dailies requesting contributors to the scheme to report any observations with a view to having correct and updated records ahead of the July, 2009 transfer date.

The Commission and Trustfund are currently working towards ascertaining the amount to be transferred on behalf of each contributor of the scheme. Against the above background, this Guideline seeks to provide a general guidance on how the transfer of NSITF contributions into the RSAs of employees will be effected and delineate the roles and responsibilities of each stakeholder.

2.0 GENERAL GUIDELINE

2.1 Coverage

This Guideline covers the transfer of amounts contributed by bona fide members of the NSITF scheme into their RSAs maintained with their Pension Fund Administrators (PFAs). It does not cover transfer of income earned on the amount contributed by employees. The transfer of income will be done after the successful transfer of the principal amounts. A separate framework will be issued in that regard.

2.2 Contributions

For the purpose of this Guideline, contributions represents amount remitted to National Provident Fund (NPF) and/or NSITF pension schemes by registered employers on behalf of their employees covering the period January 1962 to June, 2004, supported with relevant schedules.

2.3 Assets of NSITF Scheme

This represents all pension fund assets that were to be transferred by NSITF to Trustfund following the commencement of the Act, regardless of whether they have been transferred to the Custodians of Trustfund or not.

3.0 THE GUIDELINE

The major areas of concern with respect to the transfer of NSITF contributions into RSAs which are covered in this framework are:

- Determining the amount contributed by NSITF members;
- Advertisement on Transfer of NSITF Contribution to RSAs;
- Documentation Requirements for NSITF Contributors;
- Submission of claims by PFAs on behalf of NSITF Contributors;
- Verification of claims of NSITF Contributors;
- Transfer of Verified Contributions to RSAs;
- Record Keeping;
- Spot Check on the Transfer of NSITF Contributions to RSAs

3.1 Determining Amount Contributed by NSITF Members

i) NSITF shall provide the data base and other supporting records needed by Trustfund to establish the contributions of members of NSITF Fund;

ii) Trustfund would confirm the correctness of individual member's contributions from the data base. In line with the provisions of the PRA 2004, Trustfund shall create account for each member into which the contributions of members will be credited. These accounts shall be held in a separate data base, which would, amongst others, contain necessary information such as:

- a) Employee Name
- b) Employer Name and Address
- c) NSITF Registration Number
- d) Beginning Month/Year of Contribution
- e) End Month/Year of Contribution
- f) Amount Contributed
- g) Name of PFA
- h) Personal Identification Number (PIN)

iii) Trustfund shall send statement of contributions to all members of NSITF Fund;

iv) Members and/or employers would be responsible for checking the correctness of their contributions and raise objection, if any.

iii) Members that did not receive statement shall contact the nearest Trustfund office or access the website of Trustfund to download their statements. Trustfund website is: www.trustfundpensions.com

iv) Request for amendment to contributor's record of contribution in the data base must be supported with verifiable evidences of remittance such as stamped remittance schedules and payment receipt issued by the NSITF;

v) Any subsequent amendment to the data base will be communicated to the affected member(s).

3.2 Advertisement on Transfer of NSITF Contributions into RSAs

Both the Trustfund and the Commission would place an advertisement on the impending transfer of NSITF contributions into RSAs prior to the commencement of the transfer to inform the contributors on what they are required to do. The Commission will also issue a circular to all PFAs on the transfer.

3.3 Documentation Requirements for NSITF Contributors

Members will be required to submit through their PFAs the following evidences of membership of NSITF scheme and request for transfer of contributions:

- i) Original copies of NSITF membership certificates;

- ii) Means of Identification (preferably Employer ID or Drivers License)
- iii) Completed 'Transfer Application Form' where contributors to NSITF Fund would be required to provide their bio-data, information on contributions made to NSITF Fund and current PFA/PIN details.

3.4 Submission of claims by PFAs on behalf of Contributors

- i) PFAs shall compile all completed 'Application for Transfer Forms' with supporting documents and prepare a Schedule (Format attached) of amount to be claimed from Trustfund on behalf of their contributors;
- ii) PFAs would forward the Schedule with the supporting documents to Trustfund.
- iii) A copy of the Schedule should to be forwarded to the Commission.

3.5 Verification of Claims of NSITF Contributors

- i) Trustfund would check completed 'Application for Transfer Forms' together with supporting schedules and verify with the data base of NSITF contributors;
- ii) Trustfund would return all rejected Application for Transfer Forms to contributors, through their PFAs, stating reasons for the rejection.

3.6 Transfer of Verified Contributions to PFAs

- i) Upon verification of each batch of claims, Trustfund shall write to the Commission for approval to transfer verified amounts to the Custodians of the respective PFAs;
- ii) On receipt of approval from the Commission, Trustfund would instruct its Custodians to effect the transfer of the equivalent value of verified contributions to the PFAs of the NSITF members through their respective Custodians;
- iii) The PFAs would credit the amount transferred on behalf of each contributor to his/her RSA;
- iv) Trustfund would render returns on transfer of member contributions to the Commission on monthly basis; (Format of returns and periodicity to be determined by the Commission).

3.7 Processing Claims of Employees of Closed Pension Fund Administrators (CPFAs) with Defined Benefit Schemes

- i) CPFAs to compile claims of their employees and forward to Trustfund with supporting schedules;
- ii) Upon verification of the claims, Trustfund shall write to the Commission for approval to transfer verified amounts to the CPFA, for onward transfer to the employees or his/her beneficiary. Such amounts would be accessed by each contributor upon retirement;
- iii) On receipt of approval from the Commission, Trustfund would instruct its Custodians to effect the transfer of the equivalent value of verified contributions to the NSITF members through their respective CPFA;
- iv) Trustfund would render returns on transfer of member contributions to the Commission on monthly basis; (Format of returns and periodicity to be determined by the Commission).

3.8 Record Keeping

- i) Both Trustfund and the PFAs/CPFAs shall maintain proper record keeping on the transfer of NSITF members contributions;
- ii) The Commission would determine minimum standard of record keeping to be maintained which will be subject to review from time to time;

3.9 Spot Checks on the Transfer of Contributions by Trustfund to PFAs/CPFAs

The Commission would be conducting sport checks at regular intervals on Trustfund with respect to the transfer of NSITF contributions into members RSAs.

April, 2009

National Pension Commission