



## **CIRCULAR 1/2022**

### **Profile**

The Motor Industry Pension Fund is a self administered defined contribution scheme registered in terms of the Pension and Provident Funds Act (Chap. 24:09). Contribution to the Fund is compulsory to all employees under the age of 65 years whose employers are registered with the National Employment Council for the Motor Industry in terms of SI 66 of 1995.

### **Vision**

To be a highly valued and trusted solution for post retirement financial security.

### **Mission**

To provide pension benefits that guarantee financial independence to members on retirement through:

- Delivery of operational and investment excellence;
- Exemplary customer service and trusted stakeholders communication.

### **Contributions**

Employers are obliged to deduct 5% from an employee's monthly basic salary and in turn contribute 5% on behalf of their employee plus 2.5% stabilization. These contributions should be paid into the Fund's account or offices on or before the 14<sup>th</sup> of the following month in terms of SI 243 of 2006.

### **Benefit Summary**

The Fund provides its members with a withdrawal benefit, retrenchment benefit, retirement benefit and Deaths in-service benefits.

#### **1. Withdrawal benefit**

In the event of a member withdrawing from service, he/she can cash in employee contributions subject to tax and the employer contributions will continue to be invested until the member attains the age of 55 years as prescribed by law from time to time. In the event of a death before the age of 55 years the employer contribution preserved plus bonuses thereon will be payable in cash to the surviving beneficiaries.

#### **2. Retrenchment**

In the event of a retrenchment, members are paid out immediately both employer and employee contributions plus the bonuses declared. The benefit is subject to tax as outlined by law from time to time.

#### **3. Retirement**

There are basically four modes of retirement in which case the employer must be agreeable in all circumstances viz:

*Early retirement* – A member may elect to retire if he has at least completed five years of continuous service with the employer and must be between 55 years and 65 years.

*Normal retirement*- This is when a member elects to retire on the first day of the month following or coinciding with his 65<sup>th</sup> birthday.

*Late retirement*- This is when a member continues in service for a further period but not beyond his 70<sup>th</sup> birthday.

*III- health retirement-* This is when a member retires due to medical grounds having been certified by a medical doctor that he is no longer fit to perform his duties with the consent of his employer.

In all the modes of retirement, the member is allowed to commute 1/3 of his pension in cash. The remaining two thirds can purchase a pension to be paid on a monthly basis depending on the full commutation limits provided by the Insurance and Pension Commission from time to time.

4. Death in-service benefits

In the event of a death in service, the accumulation (employer and employee contributions plus interest) is paid to the member's surviving spouses and /or beneficiaries plus a lump sum death benefit as set by the Board of Trustees from time to time.

**Banking Details**

The following Bank account numbers can be used to deposit pension contributions. The account name is:

**MOTOR INDUSTRY PENSION FUND**

- |                                 |  |
|---------------------------------|--|
| <b>1. Bank</b>                  | <b>First Capital Bank</b>                        |
| Branch                          | Southerton                                       |
| Currency                        | <b>RTGS</b>                                      |
| Branch Code                     | FCDA(2157)                                       |
| Account number                  | 21576298838                                      |
| <b>2. Bank</b>                  | <b>FBC Bank</b>                                  |
| Branch                          | FBC Centre                                       |
| Currency                        | <b>RTGS</b>                                      |
| Branch Code                     | 8120   |
| Account number                  | 3070001690259                                    |
| US DOLLAR                       | Corresponding bank - Standard Chartered New York |
| <b>3. Bank</b>                  | <b>Standard Chartered Bank</b>                   |
| Branch                          | Africa Unity Square                              |
| Currency                        | <b>RTGS</b>                                      |
| Account number                  | 0100206484500                                    |
| <b>4. Ecocash Merchant Code</b> | <b>127249</b>                                    |
| Merchant Name                   | Motor Industry Pension Fund                      |

**USD Contributions**

The Insurance and Pensions Commission (IPEC) through SI 280 of 2020 authorised the remittance of pension contributions in USD. Your Fund in line with requirements of this SI amended the rules of the Fund to accommodate the creation of a USD sub account fund which will be managed separately as detailed in SI 280 of 2020. The accrued benefits effective the date of contribution to this new USD sub account Fund will be paid in USD. We further advise that the Group Life Assurance benefit (death-in- service benefit) of 24 months' salary will also be paid in USD. We

have therefore partnered with local and foreign re-insurers for the sustainability of this benefit as such, the law of insurance is applied appropriately such that if premium/ contribution is not paid by the 14<sup>th</sup> then members will be off risk without exception.

For those capacity for this USD Fund, please remit your contributions to the following account:

<b>5. Account Name</b>	<b>MOTOR INDUSTRY PENSION FUND USD CONTS</b>
Bank	Standard Chartered Bank
Branch	Africa Unity Square
Currency	<b>USD NOSTRO</b>
Account number	8740406484501
<b>6. Account Name</b>	<b>MOTOR INDUSTRY PENSION FUND</b>
Bank	First Capital Bank
Branch	FCDA CENTRE
Currency	<b>USD NOSTRO</b>
Branch Code	2157
Account number	21573701534



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