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ACT NO. 16 OF 2022

**Public Officers' Defined Contribution Pension Fund
(Amendment) Act, 2022**

An Act to provide for the amendment of the Public Officers' Defined Contribution Pension Fund, Act 2008¹; and incidental matters.

ENACTED by the Parliament of Lesotho.

Short title and commencement

1. This Act may be cited as the Public Officers' Defined Contribution Pension Fund, (Amendment) Act, 2022 and shall come into operation on the date of its publication in the Gazette.

Amendment of Section 2: Interpretation

2. The Public Officers' Defined Contribution Pension Fund, Act 2008 (in this Act referred to as "the principal law") is amended:

- (a) by deleting the definition "annuity" and substituting the following -

"annuity" means a policy issued by a registered insurer in the name of a member in terms of which the registered insurer is required to provide payments monthly to a policyholder for the remainder of his life;

- (b) by inserting the following definition -

"actuarial conversion factors" means actuarial factors such as age and gender considered by an actuary when converting the Fund credit of a member to a pension on retirement;

Amendment of section 27

3. The principal law is amended by deleting section 27 and substituting the following:

“Retirement benefits

27. (1) On retirement, a member shall be entitled to a portion of his Fund credit to the maximum of 50% as cash benefit, and the remaining percentage shall be used to purchase an annuity for him or receive a pension under the Fund.

(2) In the calculation of a member’s pension payable under the Fund, reference shall be made to actuarial conversion factors determined from time to time by the Board on the advice of the actuary or in accordance with any of the approved annuity options set out in the Rules and chosen by the member”.

Amendment of section 28

4. The principal law is amended by deleting section 28 and substituting the following:

“Disability benefit

28. Whenever a member is declared to be totally and permanently disabled, he shall be entitled to -

- (a) a benefit equal to two times his annual salary at the time of disability;
- (b) a cash benefit of the member’s own contribution plus net investment returns thereon; and
- (c) the employer’s net contributions plus net investment returns thereon”.

Amendment of section 30

5. The principal law is amended by deleting section 30 and substituting the following:

“Death benefit

30. (1) On death of a member, the member’s beneficiaries shall

receive -

- (a) a death benefit equal to two times annual salary at the time of death;
- (b) a cash benefit of the member 's own contribution plus net investment returns thereon; and
- (c) the employer's net contributions plus net investment returns thereon.

(2) On death of a member, as a result of a personal injury sustained while on duty, or occupational diseases contracted in the course of his employment or resulting from such injuries or diseases if it is established that it is not caused by negligence on the part of the member, the beneficiaries shall receive -

- (a) a death benefit equal to two times the member's annual salary at the time of death;
- (b) a cash benefit of the member's own contribution plus net investment returns thereon;
- (c) the employer's net contribution plus net investment thereon; and
- (d) widow's and dependant's pension in terms of the Pension Proclamation, 1964²."

Amendment of section: Prohibition on cessation and attachment of benefits

6. The principal law is amended by -

- (a) deleting "or" after the semi colon in paragraph
- (b) deleting a full stop at the end of paragraph (c) and substituting a semi colon and "or" after the semi colon;
- (c) inserting a new paragraph after paragraph (c) -

“(d) a debt arising from a housing loan issued or guaranteed by the Fund in respect of a housing loan of that member.”

NOTE

1. Act No. 8 of 2008
2. Act No. 4 of 1964

GOVERNMENT NOTICE NO. 51 OF 2022

The Parliament of Lesotho**Statement of Objects and Reasons of the Public Officers' Defined
Contribution Pension Fund Act, 2022**

**(Circulated by the authority of the Minister responsible for finance,
Honourable Thabo Sophonea)**

The main object of the Public Officers' Defined Contribution Pension Fund (Amendment) Act, 2022 is to continue the provision of retirement benefits and incidental matters for the benefit of the permanent and pensionable public officers. The Amendment Act is intended to increase the level of gratuity (lump sum benefit) of retiring members from the current 25% to up to 50% of the member's accumulated savings (Fund credit) in the Fund. It also formally introduces the use of the Pension Fund industry-based practice in the conversion of members Fund credits into pensions upon retirement. The amendment Act proposes to increase the death and disability benefits of the members of the Fund from the current one times annual salary of a member to two times annual salary for public officers. The amendment Act facilitates access to housing loan facilities using members Fund credit as a guarantee.

ACT NO. 17 OF 2022

**Specified Offices Defined Contribution Pension Fund
(Amendment) Act, 2022**

An Act to make provision for the amendment of the Specified Offices Defined Contribution Pension Fund Act, 2011¹; and incidental matters.

ENACTED by the Parliament of Lesotho.

Short title and commencement

1. This Act may be cited as the Specified Offices Defined Contribution Pension Fund, (Amendment) Act, 2022 and shall come into operation on the date of publication in the Gazette.

Amendment of section 30: Eligibility for pension

2. The Specified Offices Defined Contribution Pension Fund, (Amendment) Act, 2022, (in this Act referred to as the principal law), is amended in section 7 by inserting the following paragraphs after paragraph (c) -

- “(d) a member of Parliament who becomes a Prime Minister or a Deputy Prime Minister shall become a member of the Fund and shall contribute accordingly, and upon qualification in terms of the Prime Minister and Deputy Prime Minister (Retirement and Spouses Benefits) Act, 2011, shall elect whether to receive a pension under the Fund or in terms of the Prime Minister and Deputy Prime Minister (Retirement and Spouses Benefits) Act, 2011;
- (e) the benefits payable to the Prime Minister and Deputy Prime Minister under the Fund shall exclude employer’s contribution towards pension in the event he elects to receive a pension under the Prime Minister and Deputy Prime Minister (Retirement and Spouses Benefits) Act, 2011;

- (f) upon appointment to the Office of the Prime Minister or Deputy Prime Minister and until qualification in terms of the Prime Minister and Deputy Prime Minister (Retirement and Spouses Benefits) Act, 2011, the gratuity payable shall be in terms of this Act.

Amendment of section 31: Retirement

3. The principal law is amended in section 31 by deleting subsection (2) and substituting the following subsections:

“(2) A member shall have the option of exercising a commutation of up to a maximum of 50% of the Fund credit and receive that amount in cash, and the balance of 50% in the fund in a form of an annuity, in which case the amount used to secure annuity shall be reduced accordingly.

(3) On retirement, a member or deferred pensioner may decide to be paid a benefit equal to the value of his Fund credit in full, at once, if the value of the Fund credit is less than the threshold set out in the Rules.”

Amendment of section 35: Death after retirement

4. The principal law is amended by deleting section 35 and substituting the following:

“Death after retirement

35. (1) On death, after retirement of a member who is receiving a pension under the Fund, the pension shall continue to be paid on a monthly basis to the spouse, and in the absence of a spouse, to the beneficiary, by reference to the annuity option the member would have chosen upon retirement as provided for in the Rules.

(2) Notwithstanding subsection (1), the spouse and in the absence of a spouse, the beneficiary is entitled to claim payment of the remaining cash in the pension pool, as a lump sum upon death of the member.”

Insertion of new section: Eligibility for pension

5. The principal law is amended by deleting section 7(b) and substituting the following:

“(b) who is employed on non-permanent and pensionable terms under the Act is eligible to a pension upon completion of five years”.”

NOTE

1. Act No. 19 of 2011

GOVERNMENT NOTICE NO. 51 OF 2022

The Parliament of Lesotho

**Statement of Objects and Reasons of the Specified Offices Defined
Contribution Pension Fund Act, 2022**

**(Circulated by the authority of the Minister responsible for finance,
Honourable Thabo Sophonea)**

The object of the Specified Offices Defined Contribution Pension Fund (Amendment) Act, 2022 is to continue the provision of retirement benefits and incidental matters to the political office bearers, statutory position holders, and other designated commissioners and senior government officials.

The Amendment Bill is intended to introduce the offices of the Prime Minister and Deputy Prime Minister into the membership of the Fund with a choice upon their qualification period under the Prime Minister and Deputy Prime Minister (Retirement and Spouses' Benefits) Act, 2011 to elect whether to continue their benefits under the Specified Offices Defined Contribution Pension Fund Act, 2011 or to draw them pursuant to Prime Minister and Deputy Prime Minister (Retirement and Spouses' Benefits) Act, 2011.

The Amendment Bill is meant to increase the level of gratuity of retiring members from the current 25% to up to 50% of the member's accumulated savings (Fund credits) in the Fund.

The Amendment Bill guarantees the liberty of a member or deferred pensioner on retirement to elect to be paid a benefit equal to the value of his Fund credit in full at once where the value of the Fund credit is less than the threshold set out in the Rules.

The Amendment Bill is intended to streamline the entitlement to pension benefits of a deceased pensioner by ensuring that spouses are given preference over other beneficiaries. It further entitles the spouse or beneficiary to the payment of lump-sum benefit remaining in the pension pool of the deceased pensioner.

The Amendment Bill facilitates access to housing loan facilities using members' Fund credits as a guarantee.

