



Mining Industry Pension Fund
"Cares for your future"

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15th June, 2023

CIRCULAR TO MINES AND MEMBERS

No. 2/2023

Subject: Review of Interest Charged by the Fund on Outstanding Contributions in Compliance with the Pension and Provident Funds Regulations

This Circular provides an update on the review of interest levied by the Fund on ZWL\$ and USD contributions arrears.

You are advised that effective from 1st June, 2023 the ZWL\$ interest charged by MIPF on contributions arrears has been reviewed from a rate of 80% to 150% per annum, while the USD interest rate of 12% has been reviewed to 14% per annum, compounded monthly. Please note that this review is in compliance with Section 13 (1) c of the Pension and Provident Funds Regulations, Statutory Instrument 323 of 1991 [as amended], which requires that all Pension Funds should charge interest on all outstanding contributions, at a rate equivalent to the unsecured overdraft lending rate charged by the respective Pension Funds' bankers. Therefore, this means that as banks review their lending rates in line with pronouncements made by Monetary Authorities and developments in the operating environment, the Fund is accordingly required to align the interest rate applied on outstanding contributions.

You may be aware that this interest is meant to compensate members whose employers are in arrears, for the investment returns that would have been earned had their contributions been remitted by the employer on time. Therefore, the interest belongs to the members and upon its payment to the Fund, it is credited to the affected Members' accounts. As this is a matter of compliance for the Fund, any grievances regarding the level of interest applied on outstanding contributions may be raised with the Insurance and Pensions Commission, in its capacity of Pensions Regulator.

The Fund will continue to monitor the environment and respond in a manner that best serves the interests of the members and in compliance with the law.

Yours Faithfully,
Mining Industry Pension Fund

A handwritten signature in black ink, appearing to read 'K. Gatsheni Ndlovu'.

K. GATSHENI NDLOVU (MS)
PRINCIPAL OFFICER AND CHIEF EXECUTIVE