



RFLAUN

Retirement Fund for Local Authorities
and Utility Services in Namibia

Tel: 061-423 700 | Fax: 061-423 701 | Email: info@rflaun.com.na | P.O. Box 29001 Mail Centre, Windhoek | 1 Delius Street, Windhoek

MEMBER ALERT

FOR IMMEDIATE RELEASE

25 September 2024

RFLAUN Members

Introduction of Additional Member Contribution Categories

In the Member Alert issued on the 15th of February 2023, you were informed that on the 29th of December 2022 the Income Tax Amendment Act (Act 13 of 2022) was passed and contained in said amendment Act, it was provided that the tax deductibility limit in respect of contributions towards approved retirement vehicles (including individual retirement annuity policies) in Namibia as well as educational policies **be increased from N\$ 40,000 per annum to N\$ 150,000 per annum.**

This increase in tax-deductible limit created the ideal opportunity for members to consider making additional contributions to the Fund on a tax efficient as well as cost effective basis. To make this benefit accessible and functional the Fund are already providing the following contribution categories which you can choose from on an annual basis:

2.5% (two and a half per centum) of pensionable salaries (only in the case of a Member who was a Member prior to 1 September 2008)

5% (five per centum) of pensionable salaries (only in the case of a Member who was a Member prior to 1 September 2008)

7.5% (seven and a half per centum) of pensionable salaries

9% (nine per centum) of pensionable salaries

10% (ten per centum) of pensionable salaries

12% (twelve per centum) of pensionable salaries

14% (fourteen per centum) of pensionable salaries

16% (sixteen per centum) of pensionable salaries

As the default option members are required to contribute at least a minimum of **7.5% (seven and a half per centum) of pensionable salaries** towards the Fund. The Employer's contribution remain unchanged at 21.7% of pensionable salary in respect of each member.



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In its continuous drive to enhance the Fund's offering to the members, the Trustees at a Meeting held on the 19th of September 2024 decided that the following additional member contribution categories should be added:

- 11% (eleven per centum) of pensionable salaries**
- 15% (fifteen per centum) of pensionable salaries**
- 18% (eighteen per centum) of pensionable salaries**
- 20% (twenty per centum) of pensionable salaries**

As you know the Fund is a Defined Contribution arrangement which means that your retirement benefit is calculated as being the accumulation of contributions you make towards the Fund, plus contributions your employer make on your behalf for retirement to the Fund, plus investment returns on all these contributions. These contributions plus returns are what is then referred to your as your share account.

With the introduction of these four new member contribution categories, you will have the option to elect on an annual basis to either contribute **7.5%, 9%, 10%, 11%, 12%, 14%, 15%, 16%, 18% or 20% of your pensionable salary** towards the Fund.

On 1 July every year, you may elect to increase your contribution rate from the rate you were contributing at that stage. If you fail to notify the Fund of your preferred increased contribution rate, you will continue to contribute at the rate last elected.

A Rule Amendment making provision for the additional four member contribution categories as indicated was submitted to NAMFISA for approval with a proposed implementation date of 1 January 2025.

RFLAUN always acts in the interest of its members and will regularly keep the members informed on developments surrounding retirement fund matters.

END

Mr. Dorian J. Amwaandangi
Principal Officer

