



## **UNIVERSITIES RETIREMENT FUND**

### **Newsletter November 2019**

In this edition of the newsletter the following topics will be addressed:

#### **Compliance Matters**

**Pension Backed Housing Loan Scheme**

**Member Communication Sessions**

**Tax-deductible Pension Contributions**

**Office Closure during Festive Season**

#### **Compliance Matters**

It gives us great pleasure to report to you that, following the conclusion of the Fund's financial year-end as at 31 December 2018, a clean, un-qualified audit report and findings were received from the auditors in respect of the financial statements as at said date.

The Fund's Actuary further confirmed that, following an actuarial valuation, the Fund was still in a financially sound position.

Both the Fund's audited financial statements as well as the actuarial valuation report were already submitted to NAMFISA as required in terms of the provisions of the Pension Funds Act.

#### **Pension Backed Housing Loan Scheme**

As you might be aware the Fund do provide housing loans as provided for in terms of the provisions of the Pension Funds Act as well as the current rules and conditions of the Pension Backed Housing Loan Scheme (PBHLS) arrangement.

Over the past couple of months the Fund became aware of instances where members were trying to abuse the Scheme and apply for loans that are in contravention of, not only the rules of the PBHLS, but the provisions of the Pension Funds Act as well.

Please note that the necessary procedures are in place in order to verify the authenticity of documentation and applications being submitted and that the Fund will not hesitate at all to take legal action against members who try to abuse this arrangement.

It must further be noted that loans where 3<sup>rd</sup> parties are part owners of the property for which the loan is being applied for will not be considered. Section 19(5)(a) of the Pension Funds Act stipulates that you and/or your spouse must be the sole OWNER/S of the property and it must be occupied by either yourself, your spouse or your dependents as provided for in terms of the Rules of the PBHLS.

You are encouraged to contact your Human Resources office who will be able to provide you with additional information and assistance in terms of the PBHLS. A copy of the Rules of the PBHLS can also be accessed on the Fund's website for reference.

### **Member Communication Sessions**

The member communication sessions that were held at UNAM and NUST during August were followed-up with similar sessions at the Northern Campuses during the first week of October.

These sessions were well attended and members are encouraged to in future attend these sessions as it gives you an opportunity to raise any questions and/or concerns you might have in terms of the operation and management of the Fund.

It is also the intention of the Board of Trustees to have these communication sessions at the outside Campuses on an annual rotation basis with the Southern and Western Campuses being visited next year. The Northern Campuses will then again be visited 2021.

### **Tax-Deductible Pension Contributions**

In the April newsletter we informed you that when the Minister of Finance tabled the 2019/2020 Budget in Parliament earlier this year one of the tax proposal he submitted was for the maximum deductibility of contributions towards a retirement fund to be increased from the current N\$ 40 000 per annum to 27.5% of income subject to a maximum of N\$ 150 000 per annum.

Unfortunately the amendment to the Income Tax Act that would give effect to these provisions have not yet been passed by Parliament. Only once passed by Parliament and Gazetted can it be implemented.

Indications from the Ministry of Finance are that it would hopefully still be passed during the current sitting of Parliament.

## **General Information**

The year is quickly nearing its end and from the Fund's side we would like to wish you and your loved ones a safe, peaceful and hopefully rainy festive season!

Please note that the Fund's office will close on Friday, 13 December 2019 and re-opens on Monday, 13 January 2020.

You are further encouraged to contact the Fund should there be any specific issues you would like to see addressed in future editions of this newsletter.

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