LABOUR INSTITUTE OF ZAMBIA "Think Globally, Act Nationally"

PRESS STATEMENT

BY

THE EXECUTIVE DIRECTOR OF LABOUR INSTITUTE OF ZAMBIA

ON

THE PRIVATE MEMBER'S MOTION TO INTRODUCE OPTIONAL ACCESS TO LUMP-SUM RETIREMENT BENEFITS UNDER NAPSA.

The Labour Institute of Zambia commends the initiative by Hon. Sunday Chanda, Member of Parliament for Kanchibiya Constituency, who will on Wednesday, 12th November 2025, move a Motion in the National Assembly calling for the introduction of optional access to lump-sum retirement benefits under the National Pension Scheme Authority (NAPSA).

The Motion seeks to allow eligible contributors to choose how they access their retirement benefits, either through the current monthly pension or through a partial lump-sum withdrawal, accompanied by protective safeguards to secure future income streams.

Hon. Chanda has correctly stated that "a pension is not a favour; it is a right." It is earned through years of labour, sacrifice, and contribution, and therefore workers deserve the right to determine how their pension will shape the quality of their retirement life.

According to LIZ Executive Director, Mr Clement Kasonde, the said Motion is consistent with Articles 187, 188 and 189 of the Constitution (Amendment) Act No. 2 of 2016, which safeguard the right to pension benefits, require actuarial fairness in their administration, and mandate the prompt and regular payment of pension entitlements.

Alignment with International Labour Standards

The Labour Institute of Zambia further notes that this Motion aligns with International Labour Organization (ILO) social security and pension protection standards, particularly those contained in the ILO Social Security (Minimum Standards) Convention, 1952 (No. 102) and the ILO Income Security Recommendations, which emphasize that:

- Retirees must have access to adequate and secure retirement income, and

- Pension systems must provide flexibility and respect for the dignity and autonomy of beneficiaries.
- Optional lump-sum withdrawal with safeguards is fully consistent with these principles, as it enhances member choice, improves retirement adequacy, and allows retirees to meaningfully plan their post-employment life.

Why We Support This Motion?

1. Promotes Retiree Dignity and Choice

   Workers deserve the freedom to make informed decisions about their own retirement needs.

2. Reflects Social and Economic Realities

   Many retirees require capital for housing, health care, education support, or business ventures.

3. Ensures Equity Across Pension Schemes

   Bringing NAPSA in line with other pension systems promotes fairness and harmonization.

Recommended Safeguards

- To ensure the sustainability and fairness of this option, we advise:
- A minimum income protection floor to avoid old-age poverty;
- Actuarial caps to protect long-term fund solvency;
- Mandatory financial counselling for retirees before choosing a benefit option;
- Enforcement of Article 189 to guarantee timely payment of dues.

Conclusion

With the appropriate safeguards in place, this Motion represents a progressive, fair, and internationally aligned reform that empowers retirees while preserving the sustainability of pension schemes.

We therefore commend Hon. Sunday Chanda, MP, for championing a Motion that advances the dignity, rights, and economic protection of workers and retirees across Zambia. We encourage the National Assembly to deliberate on it favorably by balancing workers rights and public interest.

Issued by:

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