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STAKEHODLER CONTRIBUTION TOWARDS PENSION FUND OPERATIONAL EFFICIENCY

Pension funds require the responsible management and safeguarding of members retirement savings to provide peace of mind. This is achieved through robust and transparent communication to create awareness and provide knowledge on the importance of saving for retirement. Pension savings can provide a certain degree of financial security, independence and stability upon retirement, disability, ill-health, and death of a member. In certain instances, such as retrenchments, retirement savings may provide a cushion whilst securing another source of income.

Operational efficiency of pension funds requires that members contributions are managed responsibly and in accordance and compliance with various regulatory and legislative frameworks whilst focusing efforts on maintaining member centricity. This can be attained through sound and strong investment decisions and strategies, reasonable cost to serve ratios, Environmental Social and Governance strategies and risk management approaches.

Achieving timely and correct payouts of benefits and claims results in achieving operational efficiency. The Government Institutions Pension Fund (GIPF) considers process optimisation through a well-structured value chain that is highly dependent on various participants to achieve efficiency. The Fund places significant emphasis on systems, processes, data, and the integrity of same to carry out its operational functions. Members and participating employers are urged to provide accurate and all information of members, their spouses, children, and beneficiaries as such information is not only required for admission but is also required upon the exit of a member due to ill-health,

resignation, disability, retirement, retrenchment, or death. Incorrect and incomplete information results in delays in the processing and payment of benefits.

The GIPF value chain begins with employers undertaking to provide pension benefits to its employees, thus the Fund works closely with human resources personnel of participating employers who are key in ensuring that all new employees to the various ministries and participating employers are captured correctly and timeously. Banks are critical partners in the pension fund industry as payments of claims and benefits are facilitated through this third party. It is required of banks and their clients to provide accurate confirmations of banking details as such documents are falsified for illegitimate gains.

Moreover, the Ministry of Home Affairs, Immigration, Safety and Security (MHAISS) is critical in issuing national identity documents, full birth certificates and death certificates that are required by the Fund. The Fund relies on receiving legitimate and accurate national documents for the admission and processing of claims and payments of benefits.

The Fund introduced the biometric verification process requiring all eligible pensioners to verify and provide proof of life. This results in pensioners receiving their monthly pension benefits on time. It is imperative that members verify proof of life three times a year as the GIPF benefit are paid for life, therefore only paying dues to members that are eligible. This process may not be convenient for but is necessitated to ensure the long-term sustainability of the Fund.

Traditional authorities have an important role to play in respect of providing proof of traditional and customary marriages to the Fund, as they have the responsibility to ensure that such marriages are formalised, filed and recorded accordingly. Whereas Namibia Revenue Agency (NAMRA) provides tax directives for the deduction of tax on pension payments.

An important stakeholder in the GIPF value chain that ensures operational efficiency are the employees of the Fund. They remain ultimately responsible for ensuring the accurate and correct capturing and onboarding of members, claims and payments.

Overall, the efficient management of a pension fund requires a fine balance of resources and process with people at the centre of all operations.

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