

## INTERPRETATION OF SI 169 OF 2021

Table 1

Item	SCENARIO/ISSUE	RESPONSE
1	Allowances and benefits exceed basic by 100% and the basic salary is below the prescribed threshold for the month.	Add the allowances and other benefits to the basic salary to form the Pensionable earnings up to the maximum pensionable earnings
2	<ul style="list-style-type: none"> <li>Basic salary is split between USD &amp; ZWL and on the allowances as well.</li> <li>Salary pegged in USD but paid in ZWL equivalent.</li> </ul>	<ul style="list-style-type: none"> <li>Precedence is given to the Zimbabwean dollar earnings and if they are still below the maximum threshold, then the balance is deducted from USD portion of salary subject to the ZWL balance to monthly threshold. Where contributions are computed from both ZWL and USD, remittances shall be made in respective currencies.</li> <li>Pegging is merely hedging a salary to address inflation. Deductions to be effected on the ZWL payments.</li> </ul>
3	How is the APWCS premium computation to be treated when basic salary is combined with allowances, is it worked on the threshold, or on the total of Basic + allowances in cases where basic is below the threshold.	SI 169/2021 provides for POBS changes only. Nothing has changed in terms of APWCS. If there are any changes in future, stakeholders will be advised. For now, only the basic salary will be used for computation of premiums.
4	In what currency would you want the remittance report to come in.	Report should show actual currency being paid. If an employer pays both ZWL and USD, such should be clearly indicated on the remittance advice in the spaces provided for.
5	How will this affect the existing P4 export	P4 forms will be reported in the currency paid.
6	<ul style="list-style-type: none"> <li>Please can you clarify how the NSSA deduction is calculated when an employee earns EG</li> </ul>	<ul style="list-style-type: none"> <li>ZWL 3000</li> <li>ZWL8,340 (US\$ converted at ZWL83,4)</li> <li><b>ZWL 11,340</b> Is the Pensionable earnings</li> </ul>

	<p>RTGS Salary of \$3000 and an allowance of \$US\$100?</p> <ul style="list-style-type: none"> <li>Foreign currency remittances – rate to be used when converting payroll/aligning to ceiling</li> </ul>	<p>The Auction rate is used to convert USD to ZWL earnings just for determining the pensionable earnings. Payments will have to be remitted in the currency it was deducted i.e., ZW3000 X 4,5% =ZWL135 for ZWL earnings portion and US\$100 x 4.5% =US\$4,50 for forex earning portion. 2</p> <ul style="list-style-type: none"> <li>Conversion will be done at the Auction rate ruling at the date when the employer runs their payroll.</li> </ul>
7	<p>We have some of clients who have already processed June 2021 payroll. Do we have to recover the differences in July?</p>	<p>SI effective date is June 2021. Adjustments will have to be made and any additional contributions due should be settled.</p>
8	<p>We have some clients who run USD payrolls. Will you also publish the Pensionable Earning ceiling in USD? If not, which exchange rate will be used to convert the ZWL ceiling? (Mid, Buy or Sell? As at when? )</p>	<p>NSSA shall publish Maximum Pensionable earnings in Both ZWL and USD on its website and various media notices and this shall be based on the auction rate ruling at the date when ZIMSTATS provides the total consumption poverty line figures for the month.</p>
9	<p>Is NSSA going to issue us with receipts for submitted P4 returns</p>	<p>P4 receipts will be issued to employer electronically upon submission</p>
10	<p>Treatment of employee pensionable earnings that are below 75% of TCPL. Some think they are no longer deducting contributions for such.</p>	<p>The S.I. only prescribes a change in the maximum pensionable earnings. Employee's earnings will be deducted for POBS contributions up to a maximum of the month's published threshold.</p>
11	<p>Confusing the interpretation of 75% of TCPL by thinking that it is now what they are supposed to deduct from employee salary and remit to NSSA instead of the 9%.</p>	<p>The 75% is only used to determine the Maximum Pensionable earnings. The 4,5% deductions will remain unchanged and will be applied to the Pensionable earnings as before to calculate employee and employer contributions</p>
12	<p>Some complain that the SI is not written in layman English difficult to interpret.</p>	<p>The Authority is readily available to assist stakeholders in interpreting the S.I.</p>
13	<p>Some allowances allowable deductions by ZIMRA; are these allowances not also allowable by NSSA</p>	<p>NSSA ordinarily does not deduct Contributions from allowances. Deeming provisions are only invoked when allowances are more than 100% of basic salary depicting as if</p>

	(employer could not point at the exact allowance).	a portion of basic salary is 'hidden' in allowances to lower down social security contributions obligations.
15	One union said that the rates are exorbitant	The contribution rates have not been changed; it is only the Maximum Pensionable earnings figure that was raised.
16	Request for APWCS Nostro Account	Each Region has one Nostro account where both POBS and APWCS USD remittances payable.
17	Changes came at a short notice and had not budgeted for the employer component of the contributions	The changes were supposed to have been effected at the beginning of 2021 but promulgation of the S.I. was delayed.
18	Are we going to have different pensionable amounts every month?	The pensionable earning is determined by the Total Consumption poverty datum line for a family of 5 people that is published by ZIMSTATS monthly. Any changes to the figures will auto adjust the pensionable earnings figure.
19	Does other earnings include <ul style="list-style-type: none"> <li>a. Cash in lieu of leave</li> <li>b. Bonus</li> <li>c. Retrenchment</li> <li>d. Overtime</li> </ul>	No. Allowances and Benefits that are considered should be of a regular nature and paid out monthly.
20	Will benefits be paid in USD considering the SI	Currently, benefits are payable in Zimbabwe currency per Section 43(2) of SI 393/93.