



Retirement Fund Solutions



The Latest Developments on Future Quarterly Reporting to Namfisa – October 2012

Namfisa recently issued a new template for future quarterly reporting by pension funds. This report comprises of a summary section, a signature section and 9 data sections. It makes reference to information to be provided by the Principal Officer, the asset manager and the administrator and attempts to separate sections according to the likely source of the information.

It is unclear how Namfisa envisages taking this reporting forward. It would be sensible that role players should once again provide comments to Namfisa. Funds should therefore coordinate with their relevant service providers and liaise with Namfisa with the view to settle on a final version that can be compiled at the least possible cost to the fund. Until such time as the template has been finalised, it would be foolish for the contributors to this report to start developing and adapting systems and procedures to ensure that the quarterly information can be provided as required.

Much of the information required from the administrator and the asset manager, should typically be maintained in their systems. It would then be a question of having the relevant information extracted electronically and reported in the format required by Namfisa.

Some of the information would have to be manipulated (e.g. average ages, average pensionable income, quarterly income statement figures), which would require programming or data manipulation. Programming and data manipulation should be avoided as far as possible as it will be costly and will require time to be done. Perhaps it is more sensible if the Namfisa ERS were to be adapted to do calculations and data manipulations and that the service providers rather provide the data required for these purposes.

Some of the information is unlikely to be maintained by service providers as it has little or no bearing on their responsibilities, (e.g. the type of transferee fund for benefits paid, housing loans in proclaimed areas vs. unproclaimed areas, status of proclamation, market value of hypothecated property in case of direct loans). To provide such information will be costly and time consuming, as it requires programming to record and report the information while systems and procedures will have to be adapted to capture such information in future.

Some information is currently in an inappropriate section of the report and should be move to a more appropriate section ('other loans' in housing loan section, actuarial information in

administrator section, static fund information on benefits -, contributions - and cost structure in administrator section.

Some information is initiated and executed by and therefor only available from a 3rd party (insurer benefit payments, detail on indirect loans from banks).

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