

20 April 2020

INDUSTRY CIRCULAR: CONTRIBUTIONS TO RISK BENEFITS DURING THE NATIONAL LOCKDOWN PERIOD

1. The Financial Sector Conduct Authority (FSCA) is mindful of employers and employees who are financially distressed in light of the unprecedented financial challenges that Covid-19 presents, which may impact employers' and employees' ability to comply with their full or any section 13A contributions to their respective retirement funds.
2. The FSCA has since published a communication which came into effect at midnight on 26 March 2020. The communication from FSCA serves as guidance to retirement funds in order to assist employers who are unable to pay their full or any contributions on behalf of their employees to their retirement funds pursuant section 13A of the Pension Funds Act, 1956.
3. The FSCA has advised that retirement funds must attempt to ensure that full risk benefit premiums continue to be paid in full in order to ensure that risk benefits (death, ill-health) will be provided.
4. In this regard, the NBCRFLI would like to encourage industry employers to comply with the FSCA's communication whereby they continue to ensure that risk benefits premiums are paid in full during the national lockdown period in order to ensure that risk benefits will be provided. Attached herein is the copy of the FSCA's communication, for reference purposes. Please [\(click here\)](#) to access the communication.
5. Should you require clarity, please contact your local Agent who will be available to assist.

Yours Faithfully

Musa Ndlovu

National Secretary

(This document has been sent electronically and is therefore not signed)