

IPEC–ZAPF 2026 Second Quarter Meeting Update to Members

Purpose: Quarterly engagement between IPEC and ZAPF to review industry developments, compliance issues, policy reforms, and strategic priorities.

Date: 10 June 2026

Opening Remarks and Industry Outlook

The Commissioner welcomed new ZAPF council members and emphasized that building a safe, trusted, and sustainable pensions industry requires close collaboration between regulators and industry players. The Commissioner also acknowledged IPEC's 20th anniversary activities and expressed gratitude to stakeholders for their participation.

Key Issues Discussed

1. Pension Benefits Improvement

- Pension benefit enhancement remains a top priority for IPEC.
- As of 31 March 2026, the average monthly pension benefit was equivalent to **85 loaves of bread**, compared to **97 loaves in December 2025**. The decline was attributed to distortions caused by year-end bonuses.
- On an annual basis, benefits improved significantly from **39 loaves in March 2025** to **85 loaves in March 2026**.
- Current distribution shows:
 - **20% of pensioners receive less than US\$10 per month.**
 - **59% receive above US\$50 per month.**
- IPEC plans to review the minimum pension framework and align benefit improvements with asset performance. Stakeholders were urged to submit comments.

2. Preservation Funds

- The **Preservation Funds Guideline** became effective on 31 March 2026.
- Most provisions should already be implemented.
- The transfer of assets into fund names has an extended deadline of **1 January 2027** due to operational complexities.
- Compliance with these guidelines will be a focus during inspections.

3. Pre-2009 Pension Compensation

- Compensation for pre-2009 pension losses remains unresolved and poses reputational risks for the industry.
- Discussions with the parent ministry and the Attorney General's Office are ongoing.
- Regulatory amendments are expected to unlock progress, and IPEC remains optimistic about finality.

4. New Pension Regulations

- The **Pension and Provident Fund Regulations** are at an advanced stage and expected to be gazetted soon.
- Pension funds were advised to begin reviewing and revising their rules proactively.

5. Compliance and Statutory Submissions

- Submission rate for 2025 audited financial statements stood at **74%**, below IPEC's expectations.
- Actuarial valuation report submissions were also very low.
- Delays affect IPEC's statutory reporting obligations to the Ministry of Finance and Parliament.
- Pension Funds are encouraged to ensure timely submissions of annual returns.

6. Contribution Arrears

- Contribution compliance declined from **44% to 43%** in Q1 2026.
- **15 employers cleared arrears**, while **30 submitted payment plans**.
- Non-compliance among smaller employers is increasing.
- IPEC will intensify enforcement, including use of garnishee powers.

7. IPEC Amendment Act (2026)

- The Act, effective **24 April 2026**, introduced significant changes:
 - Expanded IPEC's mandate to regulate medical aid societies and NSSA, and related entities.
 - Established a **Policyholders and Pension Fund Members Protection Fund**.
 - Required guidance on treatment of unclaimed benefits.
 - Opened opportunities for collaboration between occupational pension schemes and medical aid societies.

8. Regulatory Sandbox

- Applications for **Cohort 2** opened on 15 May 2026 and close on 31 August 2026.
- The Commissioner noted slow participation from the pensions sector compared to short-term insurance.
- Pension funds are encouraged to submit innovative solutions to enhance inclusivity and sustainability.

9. Retirement Planning Tool

- IPEC issued **Retirement Planning Tool 2** through Circular 9 of 2026 and expects administrators and pension funds to distribute it to members.

10. Shared ICT System

- Progress on the shared ICT system has been slower than expected.
- Stakeholders are expected to:
 - Review the original motivation document.
 - Consider alternative models.

- Reach consensus on the preferred system design.

12. Policy Advocacy

- ZAPF submitted policy recommendations on monetary policy, budget processes, and other economic issues.
- Preparations are underway for submissions to the **Mid-Term Fiscal Review** which were done before the 17 June 2026 deadline.

13. Medical Outreach

- A medical outreach programme is planned for **July 2026** in Matabeleland North Province, with fundraising scheduled during June.
- Pension funds are encouraged to support this initiative as corporate social responsibility.

14. Electronic Supervisory System

- IPEC is finalizing procurement of a service provider to develop an electronic supervisory system.

15. Expense Framework

- Compliance improved from **84% to 91%**.
- The framework is under review pending further industry submissions.

Capital Markets and Investments

16. Delisting of Companies from the ZSE

- Concerns raised included:
 - Reduced investment opportunities for pension funds.
 - Increased concentration risk.
 - Valuation challenges when listed companies become unlisted.
- The Commissioner directed that:
 - The issue be treated as an action item.
 - IPEC and stakeholders gather data on pension fund exposures.
 - Engagement continue with securities regulators to protect minority investors.

Governance and Regulatory Issues

17. Regulations vs Guidelines

- Concerns were raised about reliance on guidelines in the absence of gazetted regulations.
- IPEC explained that delays are due to processing at the Attorney General's Office.
- Guidelines, developed through stakeholder consultation, serve as interim regulatory instruments.

Key Takeaways from the ZAPF Conference

- Greater portfolio diversification.
- Increased investment in ETFs, REITs, commodities, horticulture, mining, and infrastructure.

- Greater use of AI for scenario analysis, compliance, and predictive analytics.
- Stronger governance and member communication.
- Alignment with Zimbabwe's **National Development Strategy 2 (NDS2)**.

Final Messages

- Trustees must appoint individuals with appropriate expertise to oversee specialized investments.
- Trustees carry significant responsibility and accountability for investment decisions.
- Capacity building should remain a priority for the industry.

ZAPF Updates:

- Reaffirmed commitment to collaboration with IPEC.
- Announced the appointment of a new Capacity and Stakeholder Manager, Maureen Tsodzo.
- Confirmed a strategic review scheduled for **8 July 2026** to guide the 2026–2027 agenda.

Submitted for and on behalf of the Association



Sandra Tinotenda Musevenzo
Director General