The Pension Fund of 2035

Will our current business models survive?

Bright Ndlovu

Principal officers and chairpersons



Our answer: survival requires adaptation

Why pension funds remain valuable

A fund's institutional purpose is still valuable. It organises disciplined saving, pool investment expertise and provide accountable stewardship over money intended for retirement. The Survival questions? First, can the fund continue operating within its resources and legal requirements? Second, does participation produce useful retirement income? Third, do members believe the fund will deliver?



What must change

The operating model must support interrupted careers, longer lives and members who expect clear information and dependable payments.

Success means retirement income that retains purchasing power.

How the traditional Pension admin Model is under pressure

What it is the norm?

A stable employer deducts and remits contributions every month to a pension administrator. The member saves over an uninterrupted career, and investments compound before a predictable retirement.

The changing journey

Short contracts, lower shifts and self-employment create gaps. Costs continue while fewer members contribute, and a longer retirement stretches the money accumulated.

Each weak link affects the amount, timing or reliability of the member’s pension.

Zimbabwe: four warning signals

Indicator at June 2026	Reported position	Why it matters
Contribution arrears	US$181.78m equivalent 22% above March 2026	A receivable supports benefits only when collected.
Investment income	71% fair-value gains	Reported growth and available cash can differ.
Occupational funds	975 registered 519 inactive	Inactive structures still need responsible resolution.
Complaints received	55% about unpaid benefits 64 complaints in total	Delayed payment damages confidence. Complaint portion is not member prevalence as this is not statistical assurance

Five disruptions shaping 2035

01 **Changing work and Informality**

Payroll channels no longer reach every working member.

02 **Longer lives**

Savings may need to finance more retirement years.

03 **Confidence**

Value loss and poor service discourage continued saving.

04 **Technology and AI**

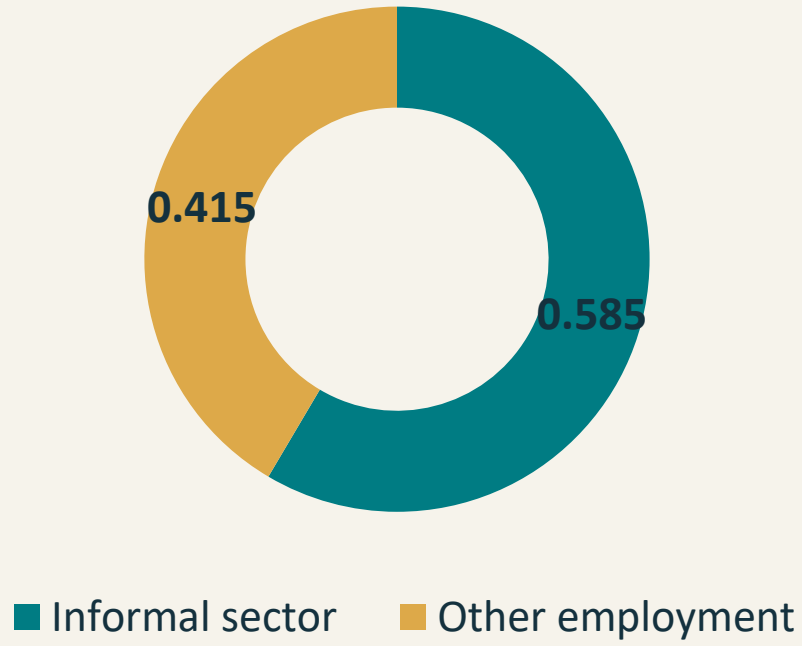
Better access also brings data, fraud and control risks.

05 **Real returns**

Investments must protect buying power after costs.

1. Work is moving beyond the payroll

Zimbabwe, Q2 2025



A large access challenge

58.5% of employed people worked in the informal sector. Many livelihoods therefore sit outside stable employer payroll channels.

The pension implication

A person can remain economically active while pension saving stops. Funds need lawful ways to retain eligible members and collect affordable payments.

ZIMSTAT. Informal sector describes the enterprise and differs from informal employment.

Clothing, manufacturing and retail

Industry example	How work changes	Effect on pension saving
Clothing	A factory machinist becomes a home tailor paid per order.	The payroll deduction ends although she keeps earning.
Manufacturing	A factory cuts shifts or outsources repairs to contractors.	Salary-based saving falls, or payments become irregular.
Retail	A shop assistant combines part-time work, trading and deliveries.	No single employer supports a full contribution journey.

Clothing: the member still has a livelihood

A seasonal income pattern

A former machinist may earn well after a school-uniform order and little during quiet months. A fixed debit can fail even when she wants to save.



A practical response

Preserve existing retirement savings and explore lawful top-ups or variable payments. Explain charges and access conditions before the member commits.

The fund should understand the income pattern before choosing the payment channel.

Illustrative clothing industry case.

Manufacturing and retail: different pressures



Manufacturing

Fewer shifts reduce contributions. Outsourcing can remove workers from payroll. Deductions already due but not remitted require recovery action.



Retail

Part-time work, commission and trading create uneven cash receipts. The collection method must fit the member’s permitted participation and ability to save.

One collection design will not suit every employment pattern.

Illustrative examples. Actual industry data should guide decisions.

A contribution model for changing work

Continuity and preservation

At exit, explain the consequences of withdrawal and the available preservation or transfer options. Where rules permit, make top-ups and reactivation easy for eligible members.

Collection and affordability

Reconcile deductions to cash and member postings. Age and pursue arrears. Assess all collection charges so small, irregular payments still leave worthwhile savings.

More member records do not automatically produce more contribution cash.

2. Savings may need to last longer

Longer retirement periods

WHO projects that one in six people globally will be aged 60 or above by 2030. A longer retirement increases the years that income must cover.



The right planning measure

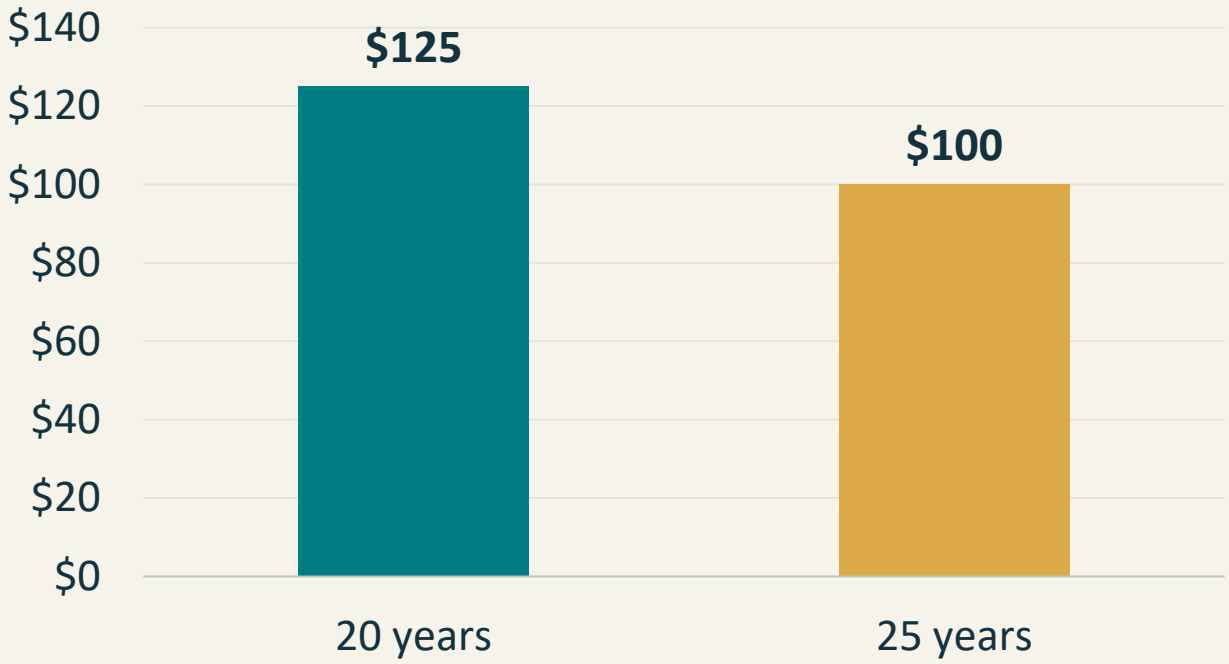
Use survival after reaching retirement age and suitable mortality assumptions. Life expectancy at birth includes deaths before retirement and can mislead pension planning.

The Board needs to know who carries the risk of a member living much longer.

WHO global projection. Fund-specific mortality is a separate assessment.

Five extra retirement years change the income

Illustration: a US$30,000 pot spread evenly



20-year retirement

The pot supports US$125 a month when divided across 240 months.

25-year retirement

The same pot supports US$100 a month across 300 months. That is 20% less each month.

An average duration does not protect the member who outlives the assumed period.

No return, inflation, fees or survivor cover assumed. This is not an annuity quotation.

Who carries the longer-life risk?

Defined benefit

The fund or sponsor supports a promised pension. Longer survival can increase the cost of that promise and the funding required to honour it.

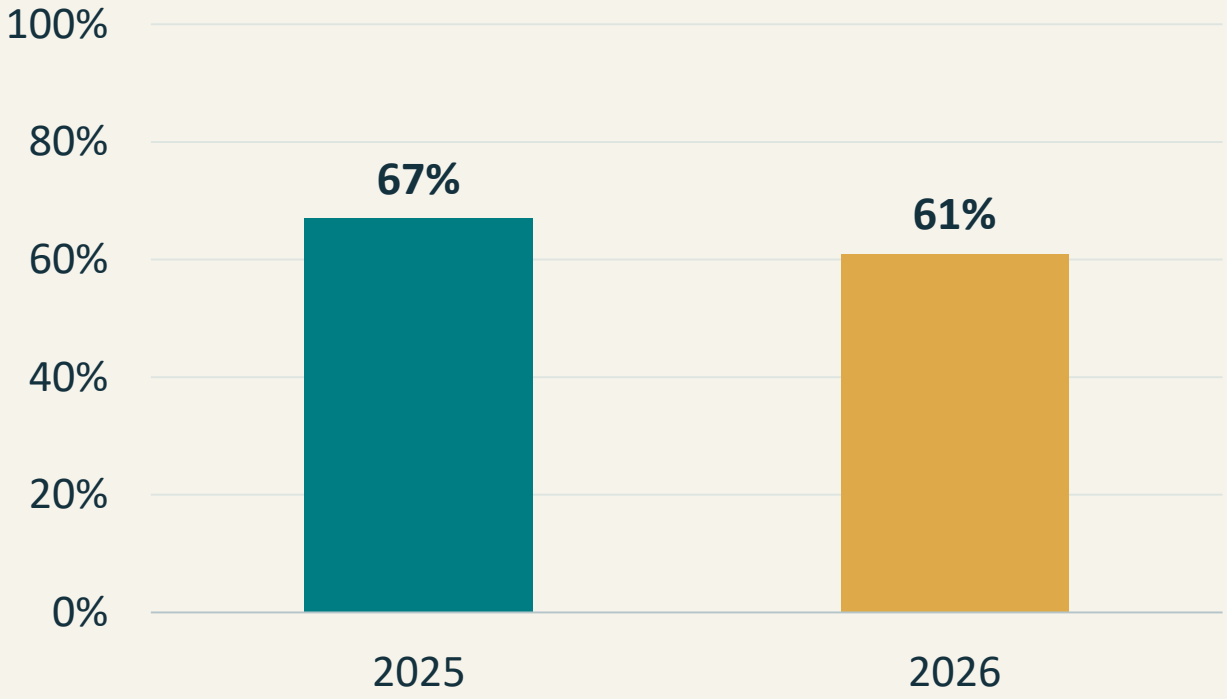
Defined contribution

The account supports the member's benefit. A longer retirement can mean lower affordable withdrawals, a smaller annuity income or a greater risk of running out.

Guarantees, insurance contracts and actual fund rules determine the precise allocation of risk.

3. Confidence is under pressure internationally

US workers confident of a comfortable retirement



United States

Confidence fell from 67% in 2025 to 61% in 2026. This measures retirement adequacy, rather than trust in pension institutions.

United Kingdom

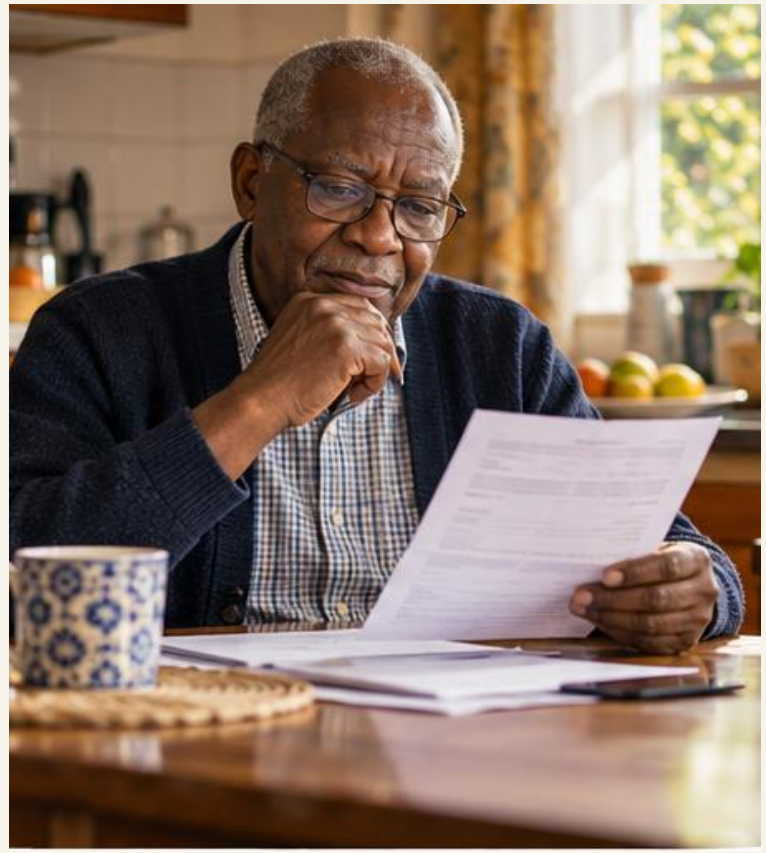
The FCA found that 75% of consumers over 45 lacked a clear payout plan or did not know they needed to choose. This is a planning gap, not a trust trend.

EBRI / Greenwald 2026. FCA Financial Lives 2024. These are different national measures.

Zimbabwe: history makes the question personal

The questions members bring

Historical value loss and currency changes leave members asking what happened to years of deductions, how balances changed and what their benefit will buy.



The service challenge today

Unpaid benefits represented 55% of 64 complaints received in the first half of 2026. Clear calculations and timely payment are visible evidence of stewardship.

Credibility requires dated, verifiable answers on both current service and unresolved legacy issues.

IPEC via the supplied report. Complaint mix is not the proportion of all members affected.

Trust grows through statements members can reconcile

Account movement	Illustrative US$ amount	Explanation
Opening balance	1,000	Savings carried into the period.
Contributions received	+240	Cash received and allocated to this account.
Allocated return	+80	Investment result assigned under the rules.
Charges	−20	Disclosed costs applied to the member.
Closing balance	1,300	Opening balance plus movements.

Also show missing remittances and a realistic retirement-income range.

Loss of confidence can weaken the model

The member's response

A sceptical member may stop top-ups, withdraw whenever permitted or prefer a business, property or livestock they can see and control. Those alternatives also carry risks.

The fund's consequence

Lower participation and preservation reduce future savings. Small balances disappoint members, potentially reinforcing their reluctance to save through the fund.

Reliable benefits, clear statements and fair charges help solve this cycle.

4. Technology can improve service and control

Tool	Useful pension application	Essential control
Rules-based automation	Match cash and contribution files, flag duplicates and calculate approved benefits.	Validated rules, reconciliation and exception review.
AI assistance	Explain approved guidance, summarise papers and locate inconsistent information.	Verified sources and meaningful human review.
Digital member access	Show account movements, documents and claim progress.	Secure access and assisted service alternatives.

A calculator needs dependable arithmetic. An AI answer needs verification.

Technology risk belongs in the Board room

Risks to member money and records

Incorrect answers, identity theft and convincing payment-change messages can harm members. An outage or weak vendor exit arrangement can interrupt essential service.



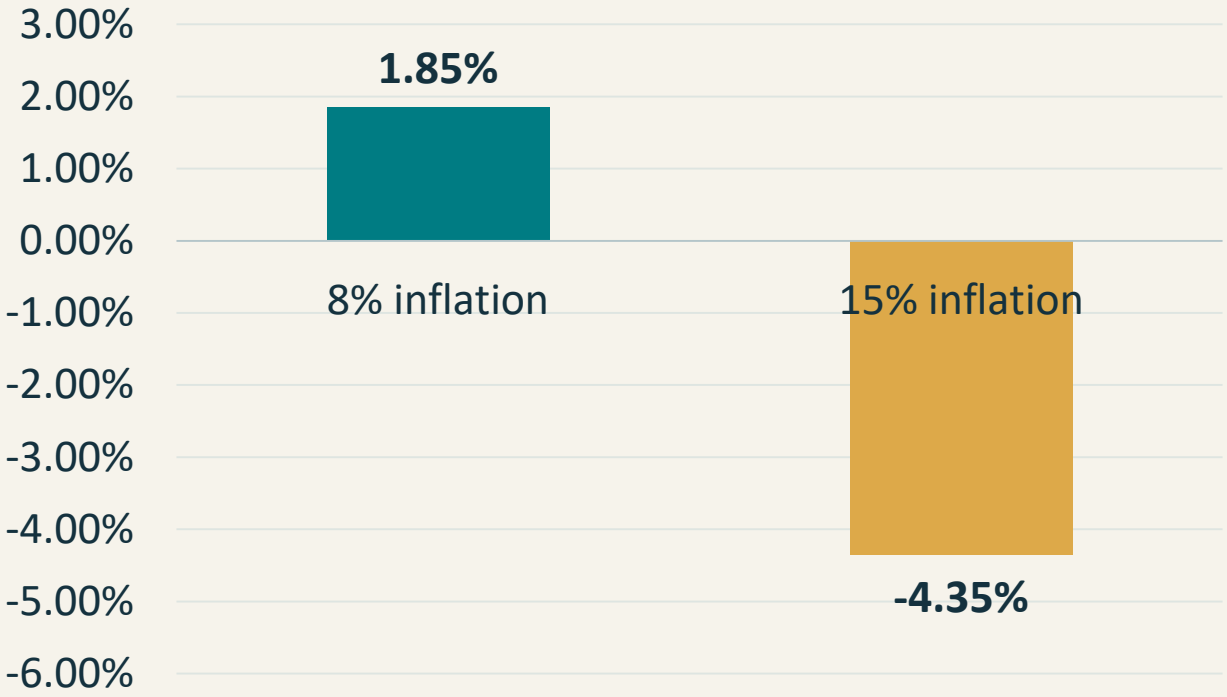
Controls with clear owners

Protect personal information, limit access, retain audit logs and verify payment changes independently. Test recovery and the ability to export usable records.

AI may automate tasks. Leadership retains fiduciary and operational accountability.

5. Real returns protect purchasing power

Illustration: 10% nominal return after costs



With 8% inflation

The exact real return is +1.85%. The investment increases what the member can buy.

With 15% inflation

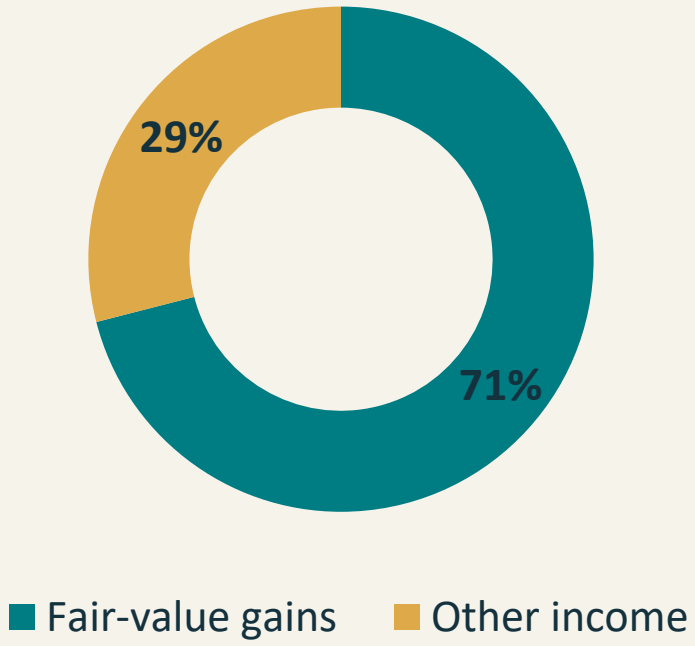
The exact real return is −4.35%. The balance rises but its buying power falls.

Match the return, inflation, currency and measurement period.

Real return = (1 + net nominal return) ÷ (1 + inflation) − 1. Hypothetical rates.

Asset growth and cash flow are different

Zimbabwe sector investment income, first half of 2026



71% from fair-value gains

Higher valuations can add value without generating cash. The other 29% is not necessarily all collected cash.

Benefits need cash

Track received contributions, collected rent, dividends, interest and asset maturities against payments and expenses by currency.

A valuable portfolio still needs a credible benefit-payment plan.

IPEC via the supplied report. 29% is the complement of the reported 71%.

A sustainable investment strategy

Exposure	Potential benefit	What must withstand scrutiny
Property and REITs	Rental income and long-term value.	Vacancy, net cash yield, valuation, concentration and actual exit liquidity.
Offshore assets	Geographic and currency diversification.	Current approvals, costs, counterparty exposure and liability matching.
Infrastructure and private projects	Long-term cash generation.	Project economics, governance, security, counterparties and exit routes.

Prescribed-asset status and a sustainability label do not replace independent due diligence.

Five things executives need to start doing today

01 **Test the business model**

Assess fund viability and member retirement income.

02 **Redesign contributions**

Support permitted employment transitions and preservation.

03 **Rebuild trust**

Deliver clear statements and dependable benefits.

04 **Modernise data and technology**

Improve records and control consequential decisions.

05 **Align investments with income**

Link returns, cash and payout choices to members’ needs.

Action 1: test the business model

Project both the fund's viability and the income typical members can receive. Use verified records and scenarios calibrated by the actuary and investment advisers.

Proposed test	Question for the fund
20% lower contribution receipts	Can the operation and benefits remain affordable?
20% fall in marketable risk assets	Can the fund avoid forced sales and meet payments?
Five extra retirement years	Who carries the additional income risk?

Use the evidence to improve, share services, consolidate or resolve the fund.

These are illustrative stress tests, not forecasts or universal requirements.

Action 2: redesign contributions

A contribution pathway

Map where members go after leaving payroll. Test a lawful, costed route for eligible members to continue saving, with understandable fees and safeguards over cash transfer.

Protection of existing savings

Explain preservation and transfers at exit. Reconcile and pursue arrears so money already due reaches the account. Assess whether small balances remain affordable to service.



Evidence of success: received cash, contribution continuity and savings retained.

Action 3: rebuild trust through delivery

Visible service commitments

Set clear standards for contribution visibility, statements, claims and complaints. Track the age and cause of unpaid cases, with an accountable owner for each material issue.

Honest member communication

Explain money received, charges, returns and income ranges. Separate current service problems from legacy matters that depend on external decisions.



Trust is supported by evidence of delivery and understanding, not the number of newsletters.

Action 4: modernise data and technology

Reliable data before expansion

Reconcile payroll deductions, bank receipts, account postings and benefits. Assign data owners and record unresolved exceptions before a large system purchase.

A controlled business case

Pilot a process with a clear service or cost goal. Approve AI boundaries, assess suppliers and test accuracy, security, recovery and usable data exports.

Measure errors, turnaround and full cost per completed process before and after the change.

Action 5: align investments with retirement income

The investment review

Report net real returns, total costs, cash generation and concentration. Set allocation and liquidity against actual benefit obligations and realistic contribution receipts.

The retirement-income review

Update longevity assumptions and assess feasible payout choices. Explain how investment losses, withdrawals and inflation affect members approaching and living in retirement.



Evidence of success: useful member income and the ability to pay it when due.

Leadership: oversight and execution

Chairperson and Board

Approve direction and resources, challenge assumptions and manage conflicts. Review member outcomes and material exceptions, and make decisions where the operating model needs to change.

Principal officer

Coordinate delivery, maintain accurate records and accountable owners, and escalate risks promptly. Bring the Board evidence on cash, costs, service and retirement adequacy.

Advisers, administrators and vendors support the work. Leadership retains accountability.

The decision starts today

Pension funds can remain essential. The operating model must earn that future.

Will members keep saving when work changes? Will income last and preserve buying power? Will our service give members a reason to trust us?



Which decision should your Board take next?