

# BILL NO. 13 OF 2021

## A BILL

FOR AN ACT TO AMEND THE FIJI NATIONAL PROVIDENT FUND ACT 2011

ENACTED by the Parliament of the Republic of Fiji—

*Short title and commencement*

**1.**—(1) This Act may be cited as the Fiji National Provident Fund (Budget Amendment) Act 2021.

(2) This Act comes into force on 1 August 2021 except for sections 3 and 4 which come into force on 1 January 2022.

(3) In this Act, the Fiji National Provident Fund Act 2011 is referred to as the “Principal Act”.

*Section 4 amended*

**2.** Section 4(1) of the Principal Act is amended in the definition of “entitlement event” in paragraph (a) by deleting “for this section” and substituting “, or any lesser age prescribed by regulations which may be subject to conditions prescribed by regulations”.

*Section 40A amended*

**3.** Section 40A of the Principal Act is amended by—

(a) in subsection (1), deleting “1 April 2020 to 31 December 2021” and substituting “1 January 2022 to 31 December 2022”; and

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(b) in subsection (2)—

- (i) deleting “2021” and substituting “2022”; and
- (ii) deleting “31 January 2022” and substituting “31 January 2023”.

*Section 40B amended*

**4.** Section 40B(4) of the Principal Act is amended by deleting “10%” and substituting “12%”.

July 2021

## **FIJI NATIONAL PROVIDENT FUND (BUDGET AMENDMENT) BILL 2021**

### **EXPLANATORY NOTE**

*(This note is not part of the Bill and is intended only to indicate its general effect)*

#### **1.0 BACKGROUND**

- 1.1 The Fiji National Provident Fund (COVID-19 Response) (Amendment) Act 2020 (**‘COVID-19 Response Amendment’**) amended the Fiji National Provident Fund Act 2011 (**‘Act’**) to reduce the rates of mandated contributions by employers and employees from 10% and 8% respectively, to 5% each.
- 1.2 The reduction in the rates of mandated contributions was initially effective from 1 April 2020 to 31 December 2020. The Fiji National Provident Fund (Budget Amendment) Act 2020 further amended the Act and extended the period to 31 December 2021.
- 1.3 The Fiji National Provident Fund (Budget Amendment) Bill 2021 (**‘Bill’**) seeks to amend the Act to increase the rates of mandated contributions by employers and employees from 5% to 6% with effect from 1 January 2022 to 31 December 2022.
- 1.4 The Bill also seeks to amend the Act to redefine the term ‘entitlement event’ to include any age that is below the prescribed age subject to prescribed conditions.

#### **2.0 CLAUSES**

- 2.1 Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the amending legislation will come into force on 1 August 2021 except for clauses 3 and 4 which will come into force on 1 January 2022.
- 2.2 Clause 2 of the Bill amends section 4(1) of the Act to redefine the term ‘entitlement event’ to include any age that is below the prescribed age. This lesser age may also be prescribed and may be subject to prescribed conditions.

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2.3 Clause 3 of the Bill amends section 40A of the Act to extend the period for the application of Division 3A of Part 3 of the Act to 31 December 2022. Division 3A was inserted in the COVID-19 Response Amendment to provide for temporary relief to employers and employees during the COVID-19 pandemic.

2.4 Clause 4 of the Bill amends section 40B(4) of the Act to increase the amount of contributions for an employee from 10% of the total wages payable to the employee by the employer for the month to 12% of the total wages payable to the employee by the employer for the month.

### **3.0 MINISTERIAL RESPONSIBILITY**

3.1 The Act comes under the responsibility of the Minister responsible for finance.

A. SAYED-KHAIYUM  
Attorney-General