

APPENDICES

Appendix I

Written Response by the Fiji National Provident Fund

Your ref:

Our ref:

14 April 2022

BY EMAIL DELIVERY:

The Chairperson
Standing Committee on Social Affairs
Parliament of the Republic of Fiji
Parliament Complex
Constitution Avenue
SUVA

Dear Honourable Pillay

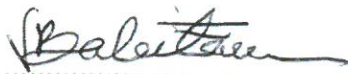
re: Clarification of Issues on FNPf Annual Reports 2019-2021

We refer to your letter dated 04 April 2022 in regards to the above-mentioned subject.

Please find attached our responses to the questions raised by the committee.

Feel free to contact me, should you have any other clarifications or questions on any FNPf matter on ViliameV@fnpf.com.fj or 3238-444.

Yours sincerely



Viliame B. Vodonaivalu
CHIEF EXECUTIVE OFFICER

All Correspondence to be addressed to the Chief Executive Officer

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Nadi Agency

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Savusavu Agency

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**FNPF RESPONSE TO QUESTIONS RAISED BY THE PARLIAMENTARY COMMITTEE ON SOCIAL AFFAIRS
ON THE FY19 & FY21 ANNUAL REPORTS**

Questions	Response
GENERAL QUESTIONS	
1. In terms of ease of doing business, does the Fund have plans of developing links, in terms of data sharing, with Ministry of Justice (Births, Deaths and Marriages Registry Office) to address the issue of member data and reporting?	1. MOU was signed in 2019 between the Fund and MOJ (for BDM, ROC, ROT & Official Receivers Office). Further to that, an MOU was also signed between the Fund & Digital Fiji to facilitate exchange of data on the DXP (Data Exchange Platform). 2. This has enabled the Fund to receive daily updates from BDM & ROC through the DXP and the Fund is now utilizing data from this sharing to improve operational efficiency, mitigate risks and improve stakeholder experience.
2. Provide details of those nominated under the Pacific Labour Scheme opting for voluntary membership with FNPF.	1. From Jan to March 2022 we have conducted 5 Virtual presentations and 11 Face to Face presentations. Regarding take-up, even though they have shown interest, none of these workers have come forward to opt for voluntary payment/deductions. 2. Our email and phone contacts were given to them to contact us once they made a decision.
3. What is the Fund's strategy for those who have utilized their entire funds and are still unemployed?	1. As a Defined Contribution Scheme, members accumulate funds based on contributions by both themselves and their employers. 2. Members are guided to access only their General Account for pre-retirement withdrawals. The only exception to access the preservation policy is for housing purposes but up to a certain percentage only. A depleted General Account would mean members can no longer access any pre-retirement withdrawals including unemployment. 3. Any attempt to further access the Preservation Account is not supported as it will further affect the member's ability to support themselves in retirement.
4. Are there future plans to invest in low-medium income rented residential properties?	1. Home ownership is seen as a secure investment for members but more importantly gives them a sense of security. The Fund is currently pursuing opportunities to partner with other institutions on affordable housing initiatives.
5. With respect to the loans issued by FNPF from 2015 up until the present time, inform us on the: Entities to which loans were given and their financial performance. Amount recovered and outstanding loan balance for each of these entities Whether any entity or entities have	1. Prior to approving loans, FNPF undertakes a detailed due diligence process on the borrower, the project, financial strength of the borrower, financial viability of the proposed project, quality and value of the security or collateral that will be provided for the loan, debt/equity ratios, expected returns, ability to service the loan, risks etc. Financial covenants are put in place, along with reporting covenants which allow the Fund to continuously monitor the performance. The lending needs to align to the Fund's investment Policy Statement.

defaulted on loan repayments Criteria that the Fund employs to issue loans to entities such as, their financial performance etc Should the Fund not be able to fully recover its loans, what are the contingency plans?	2. To cover credit risk, Fund takes security which is sufficient to cover the loan. Borrower is required to provide periodic valuation of the security and if the valuation is lower than the loan, then borrower is obliged to provide additional security. 3. The remedies available to the Fund is outlined in the loan agreement and policies, which include mortgagee sale, foreclosure, civil proceedings against shareholders, bankruptcy actions/ judgements debtor summons, winding up proceedings, sale of assets etc
Fiji National Provident Fund Annual Report 2021	
6. Page 8 of Annual Report (Zero Balance Account) – For members who have zero balance in their accounts, is the Fund able to identify how many of those account holders, up until the present time, are: • Unemployed; • Students; and • Deceased.	1. First and foremost, the preservation policy of setting aside 70% of contribution in the member's Preserved Account will not allow member to have zero balance once they commenced contributions. 2. Most members in these categories have been in this position before the preservation policy (implemented in 2014) was effected. • Unemployed: members are considered unemployed if no contribution is received. About 40.3% of these members reported as zero balance account have not contributed into their account for some time; with 59.7% without any employment record. • Students: about 7 reported in FY21 report are below 15 years of age and about 1,934 are between the ages of 16 and 24. The Fund assumes that these members are students as they are not contributing • Deceased: about 1,925 of these members are deceased as we now identify through date we share with BDM as part of the process we are currently undertaking to clear the zero balance accounts.
7. Page 13 of Annual Report - Identify the shortfalls stated and how the Fund has resolved them. Has a contingency plan been developed after the challenges faced by FNPf during the COVID-19 pandemic to address similar challenges in future?	1. The Fund closely monitors its risks and updates its mitigation strategies to address risks identified. The major risks during the pandemic was ensuring that we operated under approved COVID-19 requirements so as not to endanger our members and our staffs. The Fund had already tested and has the capacity under its Business Continuity Plan for staff to work from home. In addition, the Fund fast-tracked its digital services program for members' access and adoption of new technology such as Robotic Process Automation (RPA) to deal with the volume of members' applications. 2. In term of liquidity risks, Fund has a Liquidity Policy in place that addresses different scenarios and situation including extreme withdrawals. We have noted the current policy statement implementation has appropriately addressed the liquidity risk during COVID. 3. Understanding and managing the risks that the Fund faces or is expected to face is an on-

	going part of the Fund's operation. COVID-19 has shown the system stability, validate the Fund's risks treatment plans on its Policies, Standards and Procedures and the Fund to continue to be active in its Risk Management.																					
8. Page 14 of Annual Report (Financial Performance) – Considering the challenges brought about by COVID-19, we note that there was a substantial increase in the Fund's net assets. Provide further information this.	1. The growth in Fund's net assets by \$292 m was driven by the following: a) Change in fair value of equity instruments \$168m b) Change in FV of property investments (\$21m) c) FX loss (\$10m) d) Impairment of (ECL) (\$18m) e) Decrease in other payables by \$18m f) Decrease in TD (\$168m) g) Increase in Government Bonds \$135m h) Decrease in income receivables (\$33m) i) Increase in other receivable \$43m j) Decrease in other fixed securities (\$68m) k) Growth in loan book by \$104m l) Growth in investment property \$14m 2. Net contribution transferred to cash \$128m																					
9. In relation to Fund's portfolio, can the Fund provide more information on the funds that comes from hotels and other buildings and infrastructure?	Please refer to the table below; <table><tr><th colspan="3">Returns from Hotels pre/post COVID-19</th></tr><tr><th></th><th>NOP (\$)</th><th>Owners Return (\$)</th></tr><tr><td>2018</td><td>52,731,221</td><td>49,100,143</td></tr><tr><td>2019</td><td>57,825,121</td><td>59,375,442</td></tr><tr><td>2020</td><td>(12,289,864)</td><td>5,041,521</td></tr><tr><td>2021</td><td>(9,596,320)</td><td>-</td></tr><tr><td>2022</td><td>2,545,449</td><td>149,786</td></tr></table>	Returns from Hotels pre/post COVID-19				NOP (\$)	Owners Return (\$)	2018	52,731,221	49,100,143	2019	57,825,121	59,375,442	2020	(12,289,864)	5,041,521	2021	(9,596,320)	-	2022	2,545,449	149,786
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10. Page 16 of Annual Report (Unemployment relief) – What were the challenges faced whilst providing unemployment relief?	1. The broad challenges are highlighted in the FY2019 AR, Page 22. These include; ▪ Digital Readiness –providing online and remote solutions ▪ Managing Stakeholder Perceptions – strategic communications ▪ Government Expectation & Governance - ▪ Payments – different payment channels ▪ Liquidity – operational efficiency & cash flow management ▪ Information gathering for application submission due to border closures and targeted																					

	lockdown in first/initial phases. ▪ Social Distancing and restriction of movement ▪ Resource challenge
11. Page 18 of Annual Report (2021 Strategic Focus - Manage the Fund's Social Security Focus) – Can the Fund elaborate on the following outcomes: Extending education assistance to Online Learning and Education; and COVID-19 Home Loan Assistance for members who are unable to meet their loan repayments. How many have been assisted and how many applications were declined? Apart from the member benefits on Housing Assistance, Educational Assistance, is the Fund willing to explore on providing finance or loan to its members?	1. The Fund's education assistance was extended to cover for the tuition for online learning for the pandemic period. This is a temporary measure to allow our members to continue studies with accredited overseas institutions. Online Learning and Education support was feasible through collaborative BP relations with FHEC. The overseas institution and Course authenticity checks on the creditability of the institutions and courses were very swiftly provided for decision making. 2. COVID-19 housing assistance was rolled out through legislative changes in collaboration with the Government, ABIF and FNPF. Members were allowed to withdraw a minimum of 3 months and maximum of 12 months equivalent of monthly P&I through second access to Preserved Account. So far, 1,635 members have been assisted with a total payout of \$15.4m. 3. The funds core purpose is savings for retirement. The fund mandate does not allow using members fund as collateral to any lending facilities.
12. What is the Fund's approach in dealing with employers who fail to deduct employee FNPF contribution? Many employees continue to be victims of Employers who breach the FNPF Act Cap [219] by not paying both the Employee and Employer contributions to the Fund. What is the Fund doing to address the issue?	1. The Fund has an inbuilt employer monitoring system (monthly accruals report) for employers who are non-compliant and the inspection team conducts compliance checks on these employers on a daily basis 2. Due to the huge and widespread employer coverage Fiji wide, the Fund has also set up a complaints mechanism (CMS), where employees/members are able to lodge complaints against employers for non-payment of their FNPF deductions 3. Mobile Apps, for members to check their FNPF balances and monthly contributions 4. PR – messages to employers & employees on the importance of FNPF and their FNPF deductions. Inspectors also educate employers, payroll staff on their responsibilities etc while conducting employer compliance checks
13. Page 27 of Annual Report (Properties) – Enlighten the Committee on the land held under the land bank and its plan to ensure land utilization?	1. A demand study has been carried out by Jones Lang Lussalle of New Zealand to identify best use of all vacant land including those land under land bank. 2. The study has been completed and full report with FNPF as guideline when it start rolling out the development of these Land.
14. Page 30 of Annual Report (Mobile Technology) – The Committee notes the efficient use of myFNPF app to introduce various COVID-19 relief schemes, will this be continued or is it	1. myFNPF app is part of our digital transformation - key component of creating value for our members. It was there before COVID-19 and would be here post-pandemic. 2. The social distancing requirement necessitated the development of other functionalities within

only set up for COVID-19 relief assistance?	the App and our IT admin system inclusive of the Robotic Process Automation.
15. Highlight steps FPNF had taken for loan repayment of members' shares that were withdrawn as part of COVID-19 assistance.	1. The assistance provided during COVID-19 was not a loan – these were withdrawals from members' accounts. 2. Members are able to repay amounts withdrawn if they wish. The Fund is obligated to allow members to withdraw their funds during a state of natural disaster; once it is declared by Govt and assistance is approved by the FPNF Board. 3. Apart from repayment, members are also encouraged to pay additional contributions to boost their balances.
16. What legislative and policy review does the Fund have in place to ensure members' interests are protected at all times especially in trying times like COVID-19 so as to avoid repeat of Government exercising its long hand dipping into members fund to assist members?	1. The preservation policy design of the system of allocating 70% of contribution in the Preservation Account for retirement purpose is a strong premise of the Fund's design and legislation. 2. The Fund is in the process of reviewing its strategic direction noting the impact of the pandemic both operationally and legislatively in such crisis situation. Strengthening the sustainability of the institution and the design of its operation that while it aims financial independence in retirement for our members, we also want to remain relevant in how we can meet the needs of members applicable to today's challenges. This includes retirement products offered, types of pre-retirement withdrawals grounds, and the adequacy of contributions. 3. While the disruptions by COVID, Winston and other disasters has shown the strength of the Fund financially and administratively, it has expanded the role of the Fund into other areas that are not consistent with both its design and purpose. And as custodians, we want to make sure we make the right decision for the best interest of our members and the Fund not only today but also in the future. 4. In terms of any legislative changes, Section 143 provides protection for any legislative change in the FPNF Act 2011 which shall only be made upon advice from the FPNF Board to the Minister. Section 144, makes explicit reference to internal rules (via policy) where it must be so made as not to be inconsistent with the current provisions in the Act. 5. There is a legislative process in place [as above] that is complied to by the Board to ensure that there it is exercising its powers and making decisions that are within the ambit of the Act.

17. What is the status of unclaimed funds and how will these funds be utilized?	1. The subsequent claim on unclaimed funds is at a minimum of 7% (FY21 end vs YTD). 2. Should they remain unclaimed and meets the criterion specified in Section 44(2) of FNPF Regulation 2014 including proper due diligence by FNPF, then the funds will be transferred to General Reserve (GR) of the Fund at the end of the FY. 3. FY21 recorded a transfer of \$11.5m from UDA to GR.
18. Are the Chinese/Korean Fishing boats employing local people registered with the Fund for employee membership deduction?	1. For all fishing boats registered in Fiji and employing local are already being registered with the Fund and FNPF is deducted.
19. Are there plans to invest in the agriculture sector such as, Dairy & Cattle Farms?	1. FNPF is keen to explore investment opportunities in the agriculture sector and it would need strategic partners who understand the business opportunity to work with.
20. COVID-19 has affected the Tourism Industry. Since a large number of the Fund's investment properties comes under the Tourism Industry, is there any other industry the Fund can invest in?	1. FNPF is currently diversified in the sectors it invests in and not entirely exposed to the tourism sector. However, FNPF is keen to pursue investment opportunities in the agriculture sector, BPO, healthcare, retail, manufacturing, financial & insurance sector, infrastructure assets, etc.
21. Inform us on the key challenges the Fund faced whilst trying to achieve its strategic objectives in 2019 and how these challenges were addressed.	1. Advancing the social security agenda required a more coordinated approach at the national level. The Fund had commenced discussions with the Ministry of Women, Children and Poverty Alleviation (MWCOPA) to establish a National Security Social Committee but these fell through during the pandemic. More recent attempts at drafting a national social security strategy are being spearheaded by the Ministry of Economy with the assistance of the World Bank. 2. Diversifying investments in the local market – a key challenge was to penetrate some key resilience market such as retail supermarket and hardware that are currently taken up by established businesses. The Fund will continue to lobby with Government and the RBF to increase the Fund's offshore investments appetite and work with our subsidiaries for further expansion of various sectors such as telecommunications in the region. 3. Improving our services and communications with members. Allowing members to access our services without coming to our office and branches was a major challenge. The Fund implemented its digital strategy allowing members to access our services through the member portal and mobile app. Communications with members through social media channels, email and SMS blasts were also introduced and strengthened. 4. Disruptions to normal business operation such as natural disasters, COVID, etc. – The Fund has been able to develop a conducive environment for an agile workforce through multi-

	skilling and training, talent management and through implementation of a digital strategy that allowed more efficient processes for communication with members and operational procedures. The Fund has inbuilt as well some adaptation policies to improve practices during a shifting working environment.	
22. Inform the committee of how the Fund progressed the SDG targets and indicators relevant to its work in the 2019 financial year.	Goal 4 – Quality Education - The Fund provides education withdrawal assistance to members. A total of \$32.2 million was paid for education withdrawals this FY; and we find that members rely on FNPF to pay for their or dependent's tuition fees at university. Goal 5: Gender Equality - The Fund's progress on this goal has been quite slow. There were 9 women in the management team out of a total of 34 in FY2019. Goal 10: Reduce Inequalities - Equalities is all about access and FNPF main role is to improve financial access for the working population in Fiji during their retirement life. - Our key objective is to ensure more people retiring with decent balances so our members are financially independent. - Since the reform, there is now a steady improvement to our pension take up rate although it is still very low. - More members today are able to also accumulate their retirement savings as a result of our Preservation Policy ensuring members retained a big part of their retirement savings to support them in old age.	1. FNPF laterally acquired the FSC land which is strategically located between Lautoka and Nadi allowing FNPF to explore different development options that can complement each other and attract the required return for FNPF.
23. Provide more information on the strategic and prime land purchased by the Fund for future lucrative opportunities.		1. New Ba hospital was opened on Saturday, 9 th April 2022. Works to validate the project cost for Lautoka hospital is being done.
24. Elaborate on the progress of works undertaken as part of the PPP agreement signed with Government and Aspen Medical Pty Ltd.		1. The Fund has an MOU with Cook Islands National Superannuation Fund that allows Fijians working there to remit their retirement savings to FNPF at the end of their contracts. 2. We also market our voluntary products to seasonal workers in the region.
25. How has the Fund extended its Protection program to adequately cover Fijians working across borders within the Pacific region?		

26. We note that there were a total of 441,663 registered FNPf members at the end of June 2019 of whom approximately 56% contributed at least once during the financial year. Inform us on the total amount contributed by these members.	1. Total Amount by 249,611 of 441,663 Members (56.5%) <table><tr><th>Contribution Type</th><th>Sum of GENERAL_AMT</th><th>Sum of PRESERVED_AMT</th><th>Sum of TOTAL_AMT</th></tr><tr><td>Compulsory Contribution</td><td>\$ 183,366,751.14</td><td>\$ 440,770,246.15</td><td>\$ 624,136,997.29</td></tr><tr><td>Employee Additional Contribution</td><td>\$ 1,651,412.21</td><td>\$ 498,179.16</td><td>\$ 2,149,591.37</td></tr><tr><td>Employer Additional Contribution</td><td>\$ 2,983,932.44</td><td>\$ 297,787.56</td><td>\$ 3,281,720.00</td></tr><tr><td>Voluntary Contribution</td><td>\$ 1,788,669.02</td><td>\$ 4,239,192.50</td><td>\$ 6,027,861.52</td></tr><tr><td>Grand Total</td><td>\$ 189,790,764.81</td><td>\$ 445,805,405.37</td><td>\$ 635,596,170.18</td></tr></table>	Contribution Type	Sum of GENERAL_AMT	Sum of PRESERVED_AMT	Sum of TOTAL_AMT	Compulsory Contribution	\$ 183,366,751.14	\$ 440,770,246.15	\$ 624,136,997.29	Employee Additional Contribution	\$ 1,651,412.21	\$ 498,179.16	\$ 2,149,591.37	Employer Additional Contribution	\$ 2,983,932.44	\$ 297,787.56	\$ 3,281,720.00	Voluntary Contribution	\$ 1,788,669.02	\$ 4,239,192.50	\$ 6,027,861.52	Grand Total	\$ 189,790,764.81	\$ 445,805,405.37	\$ 635,596,170.18
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27. Page 20 of annual report (Table 4 – Completed audits/investigations) - Elaborate on the findings of these internal audits and how the Fund has sought to strengthen internal controls to minimize these issues.	1. The audit/investigation recommendations highlighted in the reports are centered around improving the control environment, control activities process improvements, system enhancements, monitoring activities and more importantly to mitigate the risks of the Fund. 2. The Internal Audit Department maintains a tracker on progress of implementation of audit recommendations which is reported on a quarterly basis to the Board Audit & Risk Committee who maintains a very strong position regarding timely implementation. There are Internal Audit Policy provisions regarding timely implementation of recommendations by management and the same captured in Management Balance Scorecards as part of their annual assessments. 3. Investigation cases either involving staff or members that are criminal in nature are referred to prosecuting authorities for further action. Continued awareness are being created both internally to staff on the importance of maintaining an ethical and stewardship culture and also externally to members on refraining from engaging in fraudulent activities such as falsification of documents for withdrawal purposes and falsified claims.																								
28. FNPf property portfolio - Provide information on the property which was under redevelopment and the 5 vacant land under land bank.	1. Nadi Retail Development has just been completed and business operation started from Dec 2021 with current occupancy status of 69%. 2. Vacant land under the land bank was included in the demand study by Jones Lang Lassalle																								

	(JLL) to identify its highest and best use and to be a starting point on development options or pathway going forward.
29. Advise us on the performance of all those entities in which FPNF is a majority shareholder including Fiji Marriott Momi Bay Resort, Grand Pacific Hotel and InterContinental Fiji Golf Resort & Spa.	1. <u>Hotels:</u> • Pre-Covid all the hotels were performing well except for Sheraton which was closed down for renovation; • COVID-19 greatly impacted FPNF's hotel portfolio performance. • Currently, with the opening of Fiji's borders to international travel and COVID-19 restrictions eased, hotels' performance have picked up again. Current period occupancy rates vs that of the same period last year, has picked up significantly. 2. <u>ATH:</u> • Upward trend in revenue (except for FY21 due to COVID-19) however reduction in margins compared to FY19 mainly driven by large capex in 2020 for PNG expansion. • Benefits expected to flow through in the future. 3. <u>VFL:</u> • Similar trend as ATH. • Recent EBITDA margins higher than historical levels signifying operational efficiencies. 4. <u>HFC Bank:</u> • Interest income has been experiencing year on year growth however, it slowed in FY20 due to COVID- • Borrowers' ability to repay their loans was affected. • As a relief measure the bank had offered repayment deferral (principal and interest) on case by case basis to its customers. • Overall, the Bank's profitability has been growing over the years and the outlook more favorable than during COVID-19.
30. Does the Fund have plans to increase its investment and acquire additional shares in the HFC Bank?	1. Not at the moment, but should there be a need to in the future, then this opportunity would be evaluated then.
31. Provide more information on the balance of unpaid contributions of \$16.1 million at the end of the 2019 financial year and whether this amount has been reclaimed by the Fund.	Please refer to the table below;

	Contribution Debt As at 30/06/2019				
	Recovery Stages	Contribution Debt Bal	Invoice Count	Employer Count	
	Prosecution	\$ 0.16	1	1	
	Order to Third Party	\$ 4,771,516.53	2,724	155	
	Debt Pursued - Demand Notice Issued/Time Payments/Follow Up	\$ 3,534,528.23	8,598	1,908	
	Grand Total	\$ 8,306,044.92	8,598	4,406	
	Collected to Date \$7,800,000.00				
	Contribution Debt As at 01/04/2022				
	Recovery Stages	Contribution Debt Bal	Invoice Count	Employer Count	
Prosecution	\$ 4,929,391.61	2,846	165		
Order to Third Party	\$ 147,318.41	32	3		
Debt Pursued - Demand Notice Issued/Time Payments/Follow Up	\$ 17,775,854.91	22,034	4,292		
Grand Total	\$ 22,852,564.93	24,912	4,406		

Please refer below for current Suspense statistic :-	
Period	Amount
1995-2010	\$53,657.66
2011-2020	\$119,899.28
TOTAL	\$173,556.94

- There are no current suspense entries.
- The Employer Portal only allows identified entries to be posted. Our suspense balance consists of the following:-
- Entries created prior to the Employer Portal
- CS adjustments created manually – CS adjustments are created to cater for wrong postings and is monitored and approved on a case-by-case basis by TLs.

32. What is the Fund doing to reduce its unidentified contributions and inform us on the effectiveness of these measures?

	<table><tr><th>Row Label</th><th>Sum of Suspense Amount</th><th>Row Label</th><th>Sum of Suspense Amount</th></tr><tr><td>1995</td><td>\$ 321.86</td><td>2011</td><td>\$ 11,850.17</td></tr><tr><td>1996</td><td>\$ 529.38</td><td>2012</td><td>\$ 11,462.71</td></tr><tr><td>1997</td><td>\$ 1,997.44</td><td>2013</td><td>\$ 7,493.72</td></tr><tr><td>1998</td><td>\$ 601.72</td><td>2014</td><td>\$ 11,295.71</td></tr><tr><td>1999</td><td>\$ 170.96</td><td>2015</td><td>\$ 3,951.63</td></tr><tr><td>2000</td><td>\$ 2,519.56</td><td>2016</td><td>\$ 34,504.61</td></tr><tr><td>2001</td><td>\$ 1,406.24</td><td>2017</td><td>\$ 31,905.92</td></tr><tr><td>2002</td><td>\$ 2,134.50</td><td>2018</td><td>\$ 4,359.95</td></tr><tr><td>2003</td><td>\$ 1,399.84</td><td>2019</td><td>\$ 499.90</td></tr><tr><td>2004</td><td>\$ 1,584.24</td><td>2020</td><td>\$ 2,185.46</td></tr><tr><td>2005</td><td>\$ 2,789.14</td><td>2021</td><td>\$ -</td></tr><tr><td>2006</td><td>\$ 2,783.66</td><td>(blank)</td><td>\$ 389.50</td></tr><tr><td>2007</td><td>\$ 3,239.30</td><td></td><td></td></tr><tr><td>2008</td><td>\$ 8,295.54</td><td></td><td></td></tr><tr><td>2009</td><td>\$ 11,687.64</td><td></td><td></td></tr><tr><td>2010</td><td>\$ 12,196.64</td><td></td><td></td></tr><tr><td></td><td>\$ 53,657.66</td><td>\$</td><td>119,899.28</td></tr><tr><td></td><td></td><td></td><td>\$173,556.94</td></tr></table>	Row Label	Sum of Suspense Amount	Row Label	Sum of Suspense Amount	1995	\$ 321.86	2011	\$ 11,850.17	1996	\$ 529.38	2012	\$ 11,462.71	1997	\$ 1,997.44	2013	\$ 7,493.72	1998	\$ 601.72	2014	\$ 11,295.71	1999	\$ 170.96	2015	\$ 3,951.63	2000	\$ 2,519.56	2016	\$ 34,504.61	2001	\$ 1,406.24	2017	\$ 31,905.92	2002	\$ 2,134.50	2018	\$ 4,359.95	2003	\$ 1,399.84	2019	\$ 499.90	2004	\$ 1,584.24	2020	\$ 2,185.46	2005	\$ 2,789.14	2021	\$ -	2006	\$ 2,783.66	(blank)	\$ 389.50	2007	\$ 3,239.30			2008	\$ 8,295.54			2009	\$ 11,687.64			2010	\$ 12,196.64				\$ 53,657.66	\$	119,899.28				\$173,556.94
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33. We note that total unclaimed funds stood at \$15.7 million for 2019. Provide a list of the unclaimed deposit accounts and the measures taken by the Fund to address this issue and ensure that funds are claimed by all its members. (Enlighten the Committee what happen to the unclaimed fund and mechanism in place to minimize the issue).	Unclaimed Funds we deal with would be funds transferred to UDA for the following reasons:- 1. Member is deceased and funds in member's account are not claimed one year from existence of date of death in ProMIS 2. Further payment funds not claimed one year after Full Withdrawal Date. 3. Member reaching 65 has no contribution and no withdrawals for the last 10 years at least; and/or 4. Funds are in suspense account as we have not been able to identify owner of the funds. The following measures have been undertaken by FNPf in regards to unclaimed funds: 1. Project team set up in 2019 to clear UDA • Major issue identified is that members whose funds are in UDA don't have any contact details or contact details existing is no longer in use. These members also have not made any contact with FNPf for more than 10 years.																																																																												

	• Initial FNP 3 & 5 filled by members were the old forms where there were no fields for phone contacts and email addresses. • Searches extended to Facebook to see if members or next of kin had active social media accounts. • Also identified were members with valid nominations but nominees were minors 2. Regular advertisements • Advertisements have been ongoing since 2018. Currently advertisements are for names that already exist in UDA and have a balance greater than \$100. 3. Enhancements to our IT Admin system (PromIS) ▪ A common response from those that fell under the category Further Payment was that they weren't aware of the last contras credited to their account by their employers after their withdrawal. ▪ To address this, enhancements have been identified and deployed to PromIS last month. ▪ The enhancement allow staff, after careful interviews with members, to flag their accounts to auto process their further payment applications up to approval stage once contras are received after their full withdrawal. ▪ Conditions apply for this enhancement: i. Contras are within members month of entitlement ii. Contras should have been from the last active employer prior to full withdrawals iii. Check box selected where member agrees to use bank account from full withdrawals • Working on auto-generating reports to identify members whose funds will be transferred to UDA by EOFY each year. 4. Suspense Accounts (unidentified contributions). • After 2 years in Suspense account, funds are transferred to UDA where it remains in UDA for 5 years. After 5 years in UDA, funds are transferred to GR. Before funds are transferred to GR, a unclaimed list is advertised in the dailies.
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34. We note that \$347m was paid out in 2019 FY to members. Provide a breakdown of the number of members making withdrawals under each scheme and eligibility criteria for withdrawal: • Retirement • Death • Medical • Migration • Housing • Small Account • Early Withdrawals	1. Please refer to the table below; <table> <tr> <th>Benefit</th><th>Amount(\$m)</th></tr> <tr> <td>55 years and over</td><td>\$167,131</td></tr> <tr> <td>Death</td><td>23,455</td></tr> <tr> <td>Disability</td><td>4,517</td></tr> <tr> <td>Migration</td><td>26,681</td></tr> <tr> <td>Non-Citizens migrating</td><td>9,918</td></tr> <tr> <td>Small accounts</td><td>1,448</td></tr> <tr> <td>Partial</td><td>56,341</td></tr> <tr> <td>Housing transfers</td><td>57,545</td></tr> <tr> <td>Total</td><td>\$347,036</td></tr> </table>	Benefit	Amount(\$m)	55 years and over	\$167,131	Death	23,455	Disability	4,517	Migration	26,681	Non-Citizens migrating	9,918	Small accounts	1,448	Partial	56,341	Housing transfers	57,545	Total	\$347,036
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35. Under early withdrawals, \$3.3m was paid out for medical while \$7.2m was provided for funeral. Inform us on whether the Fund is planning to increase the withdrawal eligibility and amount for medical.	There is currently no intention by the Fund to increase the eligibility for medical.																				
36. Elaborate on the outcome of the MOU signed with REALB to address compliance issues within the real estate industry.	The key outcomes were: • Increase in our compliance inspection with regarding real estate businesses • A few had to pay backdated FSNP payments which were not initially deducted and paid • Reiterate to real estate businesses that FSNP is payable to individual contractors and on commission based payments to individuals.																				
Fiji National Provident Fund Annual Report 2021																					
37. In regard to the \$50 million loan given to Fiji Sugar Corporation Limited, inform us on the total repayment made to date and confirm whether FSC has paid the outstanding quarterly repayment of \$1,403,743.12. (Include any other statutory bodies that taken loan from FSNP apart from FSC).	1. \$50M Loan – the loan is guaranteed by Government and also secured by a Debenture over the assets FSC. 2. The current balance is \$45.7M. 3. The loan account is not in default. 4. The only other statutory body which had a loan was Fiji Hardwood Corporation Limited. This																				

	loan has been fully settled.																																																																		
38. Income Statement by Fund – a. Expenses – Provide a breakdown of 'Investment expenses' and Property expenses'. b. Provide a breakdown of the \$42,306,000 dividend income from subsidiaries	Please refer to the tables below;																																																																		
	<table><tr><th>Investment Expenses</th><th>\$000s</th></tr><tr><td>Professional Consultancy, Portfolio Management & legal</td><td>5,213</td></tr><tr><td>Personnel Cost0</td><td>2,663</td></tr><tr><td>Amortization of Premium/Discount</td><td>499</td></tr><tr><td>Traning Cost</td><td>208</td></tr><tr><td>Software & Licence</td><td>179</td></tr><tr><td>Office rental and utilities</td><td>81</td></tr><tr><td>Travelling Costs</td><td>50</td></tr><tr><td>Communications</td><td>25</td></tr><tr><td>Office general consumables</td><td>24</td></tr><tr><td>Motor vehicle operating costs</td><td>10</td></tr><tr><td>Total</td><td>8,952</td></tr></table>	Investment Expenses	\$000s	Professional Consultancy, Portfolio Management & legal	5,213	Personnel Cost0	2,663	Amortization of Premium/Discount	499	Traning Cost	208	Software & Licence	179	Office rental and utilities	81	Travelling Costs	50	Communications	25	Office general consumables	24	Motor vehicle operating costs	10	Total	8,952	<table><tr><th>Property Expenses</th><th>\$000's</th></tr><tr><td>Staff cost</td><td>35</td></tr><tr><td>Advertising</td><td>102</td></tr><tr><td>Alarm systems</td><td>29</td></tr><tr><td>City/Town rates</td><td>587</td></tr><tr><td>Communication</td><td>39</td></tr><tr><td>Doubtful Debts</td><td>28</td></tr><tr><td>Electricity & Water</td><td>824</td></tr><tr><td>Ground Rent</td><td>583</td></tr><tr><td>Insurance</td><td>1,446</td></tr><tr><td>Motor Vehicle expenses</td><td>31</td></tr><tr><td>Office cleaning & Garbage Collection</td><td>667</td></tr><tr><td>Office consumables</td><td>11</td></tr><tr><td>Other Admin Cost</td><td>13</td></tr><tr><td>Professional Consultancy & Legal Cost</td><td>371</td></tr><tr><td>Professional Subscription</td><td>5</td></tr><tr><td>Repairs & Maintenance</td><td>1,088</td></tr><tr><td>Security</td><td>432</td></tr><tr><td>Small Assets</td><td>32</td></tr><tr><td>Travelling expenses</td><td>82</td></tr><tr><td>Total</td><td>6,351</td></tr></table>	Property Expenses	\$000's	Staff cost	35	Advertising	102	Alarm systems	29	City/Town rates	587	Communication	39	Doubtful Debts	28	Electricity & Water	824	Ground Rent	583	Insurance	1,446	Motor Vehicle expenses	31	Office cleaning & Garbage Collection	667	Office consumables	11	Other Admin Cost	13	Professional Consultancy & Legal Cost	371	Professional Subscription	5	Repairs & Maintenance	1,088	Security	432	Small Assets	32	Travelling expenses	82	Total
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39. Statement of Financial Position by Fund (Assets) – Explain the difference between member benefits allocated to members and member benefits not allocated to members provide the reasons for its reduction from \$14,631,000 in 2018 to \$8,686,000 in 2019.	<table><tr><th>Dividend income from subsidiaries</th><th>\$000s</th></tr><tr><td>ATH Limited</td><td>7,666</td></tr><tr><td>HFC Limited</td><td>9,590</td></tr><tr><td>Vodafone Fiji Ltd</td><td>22,050</td></tr><tr><td>FNPF Hotel Resorts Ltd</td><td>3,000</td></tr><tr><td>Total</td><td>42,306</td></tr></table>				Dividend income from subsidiaries	\$000s	ATH Limited	7,666	HFC Limited	9,590	Vodafone Fiji Ltd	22,050	FNPF Hotel Resorts Ltd	3,000	Total	42,306																																																			
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	1. Allocated to members – contributions received and has been posted to the rightful members account 2. Unallocated to members – contributions received but yet to be posted to members account for various reasons such as invalid FNPF numbers, no FNPF # or withdrawn member (inactive account). 3. FNPF engaged in clearing/resolving the suspense accounts (unallocated contributions) by																																																																		

	validating the contribution sources and subsequently posting the validated contributions to the rightful members' account.
40. Provide more information on the Special Death Benefit Fund and the Retirement Income Fund.	1. The 'Special Death Benefit Fund' (SDBF) – a fund which pays the entitlement to nominees on member's death as per the FNPf Act 2011. It is funded by SDB premium deducted from members account annually of \$35 per member. 2. The 'Retirement Income Fund' (RIF) – a fund which accepts retirement benefits from the sale of retirement products to FNPf members in return for a commitment to pay life or term annuities.

Appendix II

Supplementary Response by the Fiji National Provident Fund

[EXTERNAL]RE: Pending Supplementary Response - Sheron R. Narayan

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