

BILL NO. 15 OF 2024

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 2024.

(2) This Act comes into force on 1 August 2024 except for sections 3 to 8 and 10 which come into force on 1 January 2025.

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

Section 7 amended

2. Section 7(3)(b) of the Principal Act is amended after “official” by inserting “a worker representative and an employer representative”. —

Section 36 amended

3. Section 36 of the Principal Act is amended by deleting subsection (4).

Section 37 amended

4. Section 37 of the Principal Act is amended by—

- (a) in paragraph (a), deleting “; and” and substituting “.”;
- (b) deleting paragraph (b); and
- (c) after subsection (1), inserting the following new subsection—

“(1A) No later than 14 days at the beginning of each month, the employer must give to the Board a remittance statement complying with the requirement of regulations in relation to the payments.”.

Section 40 amended

5. Section 40 of the Principal Act is amended by deleting subsection (1) and substituting the following—

“(1) If an employer fails to pay, in full, the contributions for a particular month required by this Division, the employer must also pay to the Board as penalty, 10 % of the outstanding balance for each month that the contributions remain unpaid”.

Section 48 amended

6. Section 48(5) of the Principal Act is amended by deleting “with the portion of the amount recovered determined by the Board”.

Section 54 amended

7. Section 54(3) of the Principal Act is amended by—

- (a) in paragraph (c), deleting “.” and substituting “; or”; and
- (b) after paragraph (c), inserting the following new paragraph—

“(d) to an existing FNPF member.”.

Section 56 amended

8. Section 56 of the Principal Act is amended by—

- (a) in subsection (1), deleting “out of the FNPF on” and substituting “upon”; and
- (b) in subsection (2)—
 - (i) in paragraph (c), deleting “.” and substituting “;” and
 - (ii) after paragraph (c), inserting the following new paragraph—

“(d) amounts payable pursuant to section 54(3)(d) where the nominee is not an FNPF member and to admit the nominee as an FNPF member.”.

Section 58 amended

9. Section 58 of the Principal Act is amended by—

- (a) renumbering section 58 as section 58(1); and

(b) after subsection (1), inserting the following new subsection—

“(2) The Board may not place any charges on an FNPF member’s property title upon the member utilising his or her housing finance assistance withdrawal.”.

Section 60 amended

10. Section 60 of the Principal Act is amended by deleting “section 36(4)” and substituting “section 36(4A)”.

Section 78A inserted

11. The Principal Act is amended after section 78 by inserting the following new section—

Reduction percentage in special death benefits

78A.—(1) As soon as reasonably practicable after the Board has declared a catastrophe, the actuary must recommend to the Board a reduction percentage.

(2) A reduction percentage may be declared by the Board if the actuary has recommended a reduction percentage.

(3) The Minister may approve a reduction percentage that has been declared by the Board.

(4) If the Minister approves a reduction percentage, all special death benefit amounts that relate to deaths occurring between the date of the Minister’s approval and the end of the following financial year (or a period of not less than 12 months and not more than 24 months) must be reduced according to the following formula—

$$\text{Reduced Special Death Benefit Amount} = \text{Standard Special Death Benefit Amount} \times \text{Reduction Percentage}$$

(5) A reduction percentage may be reduced at any time between the time that the Board declares the reduction percentage and the end of the following financial year.

(6) A reduction percentage may not be increased.

(7) In this section “catastrophe” means one or more events that are expected to result in a total cost of claims for special death benefit, as estimated by the actuary, that relate to deaths occurring during a financial year that exceeds the prescribed limit.

(8) A catastrophe may be declared by the Board if it has received advice from the actuary that, in the actuary’s opinion, the conditions needed for a declaration have been met

June 2023

FIJI NATIONAL PROVIDENT FUND (BUDGET AMENDMENT) BILL 2024

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 (Budget Amendment) Bill 2024 ('Bill') therefore seeks to amend the Fiji National Provident Fund Act 2011 ('Act') to enhance Board governance, streamline current processes and offer new products that are geared towards helping members.

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 2024 except for sections 3 to 8 and 10 which will come into force on 1 January 2025.

2.2 Clause 2 of the Bill amends section 7 of the Act by including a worker representative and an employer representative as members of the Fiji National Provident Fund Board ('Board').

2.3 Clause 3 of the Bill amends section 36 of the Act to update provisions on admitting minors as FNPF members.

2.4 Clause 4 of the Bill amends section 37 of the Act to provide an employer up to 14 days at the beginning of each month to submit a remittance statement to the Board.

2.5 Clause 5 of the Bill amends section 40 of the Act by amending the penalty for non-payment of contributions by an employer from \$100 per employee per month to 10% of the balance of unpaid contributions for an employee each month.

2.6 Clause 6 of the Bill amends section 48 of the Act by removing the Board's power to apportion penalty amounts recoverable.

2.7 Clause 7 of the Bill amends section 54 of the Act to allow an FNPF member reaching entitlement age, to be able to transfer some or all of the amount withdrawn to an existing FNPF member.

- 2.8 Clause 8 of the Bill amends section 56 of the Act to provide that a nomination made to the Board specifying payment of an FNPF member's entitlement upon his or her death may also specify the amounts payable to the FNPF member's nominee who is an existing FNPF member, and if not an FNPF member, to admit the nominee as an FNPF member.
- 2.9 Clause 9 of the Bill amends section 58 of the Act to disallow the placing of any charges on an FNPF member's property when the member is utilising housing finance assistance.
- 2.10 Clause 10 of the Bill amends section 60 of the Act by deleting reference to section 36(4) following its deletion under clause 3 of the Bill.
- 2.11 Clause 11 of the Bill amends to the Act by inserting section 78A which provides for the payment of special death benefit for a catastrophic event, declared by the Board. Clause 11 of the Bill also provides the definition for a catastrophe to mean one or more events that are expected to result in a total cost of claims for special death benefit, as estimated by the actuary, that relate to deaths occurring during a financial year that exceeds the prescribed limit.

3.0 MINISTERIAL RESPONSIBILITY

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

G. E. LEUNG
Attorney-General