KWACHA
Pension News
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This is a publication of the Kwacha Pension Trust Fund **(KPTF)**

Embracing Retirement: Focus, Passion, and Resilience

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NOTE FROM THE FUND DIRECTOR

As we reflect on 2024, a year of remarkable milestones and forward-looking initiatives, I am delighted to present this edition of the Kwacha Pension Trust Fund Magazine. This edition not only marks a momentous year for the Fund but also coincides with a significant national celebration—**Zambia's 60th Anniversary of Independence**. In 2024, we witnessed and contributed to numerous initiatives, including our active participation in **Pensions Awareness Week** from **4th to 9th November 2024,** where we joined hands with the nation in fostering greater understanding of the importance of pensions in securing a stable future. This week-long event was more than just an awareness campaign; it was a call to action for Zambians of all ages to take responsibility for their financial futures, and we were proud to be at the forefront of these educational efforts.

In parallel, we are excited to have officially commenced the implementation of our **new 2024-2026 Strategic Plan,** a roadmap designed to guide the Fund through the next phase of its growth and sustainability. Our strategic direction is anchored on **four Key Result Areas (KRAs):**

Improved Member Satisfaction – We are placing our Members at the center of all our efforts, ensuring that their needs are met through enhanced services, better engagement, and more personalised pension solutions.

Financial Sustainability – We remain focused on safeguarding the long-term stability of the Fund, ensuring that it continues to grow and meet its obligations to Members, today and in the future.

Operational Excellence and Enhanced Service Delivery – We are committed to adopting the best practices in pension management, leveraging technology, and refining our processes to improve the experience of every Member.

Improved Organisational Efficiency – We are streamlining operations and reducing inefficiencies to deliver services that are not only cost-effective but also timely and accurate.

In alignment with our strategic vision, I am pleased to share that the Fund continues to perform exceptionally well. The Actuarial Valuation of the Fund indicates a strong 110.8% funding level, affirming our financial strength and ability to meet all future liabilities. The strong performance of the Fund enabled us to effect a 3% pension increase for our Pensioners and Beneficiaries in January 2024, effective January 2022, which demonstrates our commitment to ensuring that pensions keep pace with the cost of living.

Further, our ongoing focus on regulatory compliance and the prudent management of costs within the regulatory limits has helped us maintain our standing as a trusted and dependable pension provider. As we continue to evolve, we are committed to upholding the highest standards of governance and operational integrity, while ensuring that we serve our Members with excellence.

As we look to the future, we cannot ignore the impact of climate change, which poses significant risks to our country and, by extension, to the Fund's operations. The El Niño-induced droughts are already threatening food and energy security in Zambia, and this has far-reaching consequences on economic stability and investment performance. We are closely monitoring these developments and have adopted a proactive stance in managing the associated risks, ensuring that our investment strategies are resilient and adaptable to environmental changes.

Looking ahead, we are more committed than ever to safeguarding the interests of our Members. Kwacha Pension Trust Fund will continue to innovate, grow, and remain at the forefront of pension administration, delivering value and security to all who rely on us for their retirement needs.

As we look ahead, I encourage all of our Members to stay engaged, informed, and active in managing their pension benefits. Kwacha Pension Trust Fund is here to serve you, and together, we will continue to build a secure and prosperous future for all.

OUR VALUES

P - Professionalism
R - Respect
A - Accountability
I - Integrity
S - Stewardship
E - Equity

KPTF WELCOMES TWO NEW MEMBERS OF THE BOARD OF TRUSTEES

During the year 2024, the Fund welcomed two new Trustees, namely Messrs. Joseph Ngosa (Sponsor appointed) and Beldon Hamunjele (Staff Union Leader – Head Quarters). The two Trustees replaced Mr. Ngosa Chisupa and Mr. Charles Mukuka, respectively, whose tenures expired after serving the maximum two terms of office. The Board of Trustees is now comprised of the following:

Name	Position
Mr. Moses Chatulika	Trustee Board Chairperson
Mrs. Regina Mulenga	Trustee Vice-Chairperson
Dr. Bwembya Mulopa	Trustee
Dr. Chiara Chiumya	Trustee
Mr. Simachila Makwembo	Trustee
Mrs. Leah Mtonga Ngoma	Trustee
Mr. Mr. Joseph Ngosa	Trustee
Mr. Beldon Hamunjele	Trustee

Outlook

Domestic Economic Outlook

According to the Report of the Expanded Planning and Budgeting Committee on the Supplementary Estimates of Expenditure No.1 of 2024 for the 3rd Session of the 13th National Assembly, in 2024, GDP growth rate was targeted at 4.8 percent against an outturn of 5.8 percent in 2023. Domestic growth for 2024 had been significantly downgraded to 2.3 percent owing to the adverse impact of the drought, notably affecting key sectors such as agriculture and energy. The report further stated that annual inflation increased to 13.5 percent in the first quarter of 2024, and 14.7% in May 2024 from 12.9 percent in the last quarter of 2023. The increase was primarily driven by rising food and energy prices and the continued depreciation of the Kwacha against major currencies. The Zambia Statistics Agency adds that the rate further rose to 15.6% in September 2024, the highest since December 2021. Food prices accelerated (17.9% vs 17.6% in August), while non-food price growth slowed (12.4% vs 12.5%). The Agency suggests that the upward trend in inflation is largely driven by an El Niño-induced drought that has severely impacted crop yields, leading to sharp increases in the prices of corn, rice, and meat. This unprecedented drought, the worst in over a century, has also hampered hydropower generation. Consequently, increased reliance on imports of electricity and food has weakened the Kwacha, further exacerbating price pressures.

DOMESTIC GROWTH FOR 2024 HAD BEEN SIGNIFICANTLY DOWNGRADED TO 2.3 PERCENT OWING TO THE ADVERSE IMPACT OF THE DROUGHT

To address the above concerns, Dr. Situmbeko Musokotwane, MP, Minister of Finance and National Planning, during the 2025 budget address delivered to the National Assembly on Friday, 27th September 2024, highlighted that in order to build economic resilience and improve the livelihoods of Zambian people, Government had set the following macroeconomic objectives for 2025:

a) Attain a real GDP growth rate of 6.6 percent;

b) Reduce inflation to the 6-8 percent target band in the medium-term;

c) Maintain international reserves above 3.0 months of import cover;

d) Increase domestic revenue to at least 21.3 percent of GDP;

e) Reduce the fiscal deficit to 3.1 percent of GDP; and

f) Limit net domestic borrowing to 1.9 percent of GDP. ■

Energy – Climate Change

Climate change refers to the long-term warming of the planet, which is primarily caused by the increasing levels of greenhouse gasses in the Earth's atmosphere. These gases, such as carbon dioxide and methane, trap heat from the sun and prevent it from being released back into space, leading to a rise in global temperatures.

Human activities such as burning fossil fuels and deforestation are significant contributors. In addition to the rise in global temperature, climate change also includes changes in weather patterns, sea-level rise, melting of glaciers and polar ice caps, changes in precipitation patterns and an increase in extreme weather events. The effects of climate change are wide-spread and varied, including:

- ✓ More frequent and severe heatwaves, droughts, and storms;
- ✓ Rising sea level and coastal flooding;
- ✓ Changes in ecosystems and wildlife habitats; and
- ✓ Negative impacts on human health and food security[1].

On a global perspective, measures have been placed to reduce the carbon footprint and slow the rate of climate change, such as transitioning to renewable energy sources, increasing energy efficiency, electrifying transportation, carbon capture and storage, as well as sustainable land use practices. The 2024 edition of the KPTF Newsletter turns focus on the impact of climate change in Zambia, particularly the drought, and resulting increased use of alternative energy to hydro-electric energy. There is no denying that the effects of climate change have an impact on the quality of life both pre- and post-retirement.

Zambia's dependence on hydropower generation, at 84 percent, has exposed her to vulnerability to climate change events. As at 27th September 2024, it was reported (during the 2025 budget address delivered to the National Assembly) that due to the drought, the generation capacity had significantly reduced to around 1,225 megawatts against the installed capacity of 3,811 megawatts. This under generation was responsible for the shortage of electricity. The Zambia Electricity Supply Company (ZESCO) implemented a load management system and power rationing schedule that provides residential customers with 3 hours of electricity per day as at October 2024 *(ZESCO Limited, https://www.zesco.co.zm).*

Sources of Alternative Energy

There are several alternative sources of energy besides hydro-electric power, that can be used for domestic purposes. These include solar energy, wind energy, biomass energy, tidal energy and geo-thermal energy (E. ON Energy, https://www.eonenergy.com). A growing popular alternative source of energy used in Zambia is solar energy. Below are some advantages and disadvantages of solar energy, safety measures and how to minimise the risk of solar panel fires.

Advantages of solar Energy

Energy Independence – Households are able to generate their own solar energy and reduce reliance on the national grid.

Low Maintenance – Solar panels require minimal maintenance and are designed to last between 25 to 30 years. It is cardinal to seek guidance on the manufacturer warranties upon purchase of solar panels. Occasional cleaning and inspections are required.

Renewable and Sustainable – It is a renewable source of energy, meaning it is sustainable and will not run out.

Zero-Emissions – Solar energy produces no emissions, reducing carbon footprint and contributing to a cleaner environment.

Reduces Electricity Bills – Once installed, solar panels can significantly lower electricity costs by allowing homeowners to generate their own power. As a matter of fact, on Tuesday, 25th June 2024, the President of the Republic of Zambia, Mr. Hakainde Hichilema, announced the introduction of a 'Net Metering' system that would allow anyone to generate power for themselves and for sale to the national grid. This was at a press briefing at State House in Lusaka. The implication of Net Metering was that citizens could invest in power generation and trade in electricity.

Disadvantages of Solar Energy

High Initial Cost – The initial cost of purchasing and installing solar ▶▶

1 Source: United Nations: (https://www.un.org/en/climatechange/what-is-climate-change). For further information on Climate change, also visit the Climate Change Authority website which offers a wealth of information on climate change, including reports, research papers and Policy briefs.

panels, inverters and batteries can be high. Additionally, batteries may require replacement every 5 to 15 years. Lithium-ion batteries typically require replacement every 10 to 15 years when installed with solar panels, whilst Gel batteries may need replacement every 5 to 10 years. However, it is highly recommended to consult with a solar panel professional and electricians to determine the best battery types and replacement schedules in accordance with your specific panel system.

Weather dependent – Solar panels are less dependable on cloudy days, and do not generate energy at night.

Space and Proper Orientation – Solar panels require adequate space and, most importantly, optimal angle to capture sunlight efficiently. This poses as a limitation for buildings or homes that may not have enough space, or that are shaded by trees or nearby buildings.

SAFETY MEASURES – HOW TO AVOID SOLAR PANELS FROM CATCHING FIRE

Solar panels can catch fire or be set ablaze due to various reasons, such as:

- ☑ **Electrical Causes:** Faulty wiring, loose connections, or malfunctioning inverters can cause electrical arcs, sparks, or overheating, leading to fires. If a spark is noticed, switch off the solar panel system's power source, usually located in the inverter or main electrical panel. Ensure to maintain a safe distance and promptly call a registered electrician, as sparks on solar panels can indicate a serious electrical issue.
- ☑ **Overheating:** Solar panels can overheat due to high temperatures, poor ventilation or malfunctioning cooling systems, causing fires.
- ☑ **Physical Damage:** Cracks, breaks, or punctures in solar panels can expose electrical components, leading to shorts and fires.
- ☑ **Poor Installation:** Improper installation, such as incorrect wiring or mounting can increase the risk of fires.
- ☑ **Malfunctioning defects:** Rarely, solar panels may have malfunctioning defects that can lead to fires.
- ☑ **Lightning Strikes:** Direct lightning strikes can cause significant damage and fires.
- ☑ **Debris or Foreign Objects:** Debris, leaves, or foreign objects on the panels can cause hotspots, leading to fires.
- ☑ **Battery related issues:** Issues with battery banks such as overcharging or malfunctioning can cause fires.
- ☑ **Environmental Factors:** Extreme weather conditions like hurricanes can cause physical damage and fires.

HOW TO MINIMISE THE RISK OF SOLAR PANEL FIRES

Regularly inspect and maintain your solar panel system to ensure optimal performance, safety and longevity. To minimise the risk of solar panel fires, the following steps must be undertaken:

- ☑ **Inspections** - Visual inspections are required monthly, electrical inspections are required quarterly, and cleaning is required every 6 to 12 months.

A visual inspection should be carried out monthly to check for debris, dirt or shading on the panels, to ensure that the panels have no cracks, breaks or signs of wear, to verify proper alignment and secure mounting, and most importantly, to check for loose or corroded connections.

On a Quarterly basis, monitor the system performance using an inverter or monitoring system. Check for error messages or alerts and verify proper voltage, current, and power output. Once this is done, inspect electrical connections and wiring for damage or wear.

Every 6 to 12 months, clean the panels with a soft brush, water and mild soap. Avoid using harsh chemicals or abrasive materials. Clean the inverters and other electrical components. On an annual basis, verify proper cooling and ventilation of the inverter. There is no harm in checking for, and replacing, worn-out or faulty components. Consider updating inverter software and firmware.

Lastly, every 2 – 5 years, hire a certified solar professional and electrician to inspect the system and perform a thorough electrical and mechanical inspection. All identified potential issues must be addressed before they escalate to being major problems.

- ☑ **Proper installation and wiring** – Hire a certified professional who should adhere to the manufacturer's instructions for installation, wiring and maintenance, and to perform regular electrical inspections. All safety standards must be followed.
- ☑ Use high quality components and materials.
- ☑ Invest in solar panels that have built-in safety features to prevent fires.
- ☑ Install solar panels with adequate spacing to allow airflow and regularly inspect the system for signs of overheating or moisture accumulation.
- ☑ Avoid cracks, breaks or punctures by securing the solar panels during transport to prevent damage, never walk on solar panels, and use protective clothing such as gloves when handling solar panels.

Source: Off-Grid Energy Newsletter (4th Edition) by the Zambia Ministry of Energy, Zambia Beyond Connections – Energy Access Diagnostic Report Based on the Multi-Tier Framework (documents1.worldbank.org), ZESCO website (www.zesco.co.zm), Energy Regulation Board website (https://www.erb.org.zm) and general publications using certified web-based search engines.

Photo Focus


Training on Procurement with the Zambia Public Procurement Authority (ZPPA)

Panel discussion at the launch of the 2024 Pensions Awareness Week (PAW). From left to right – Mr. Dingindaba Jonah Buyoya (Moderator), Mr. Nchimunya Monde (KPTF Director and Chairperson of the Zambia Association of Pension Funds), Mr. Christopher Lalusha (ICT Director, NAPSA), and Mr. Goodson Kapaso (Deputy Registrar – Pensions, PIA).

2024 Beneficiaries Sensitisation Seminar held on 26th September 2024

Photo Focus

Board of Trustees and Management during the 2024 AGM held on 30th July 2024 (Ndola).

Kabulonga Girls Secondary School educational tour at Kwacha Pension Trust Fund, during the 2024 Pensions Awareness Week.

Board of Trustees and Management during the 2024 AGM held on 30th July 2024 (Lusaka).

Interactive Session with Members after the 2024 AGM – Ndola

FEATURE STORY

The KPTF news crew caught up with Mrs. Priscilla Sampa Mwale, a Pensioner of the Fund who had served the Bank of Zambia for twenty-eight years, from January 1983 to 2011, when she separated from the Bank by way of Voluntary Early Separation and opted to defer her pension until retirement age. Having attained the age of 55 years in 2016, Mrs. Sampa crossed over to the Pensioner category and has since been receiving her monthly pension. Her inspiring story stems back from her childhood, through educational and employment experience and finally as an aggressive businesswoman and Christian in retirement.

About Mrs Mwale

Mrs. Mwale with Family

Mrs. Sampa Priscilla Beatrice Kangwa Mwale was born on 1st October 1961 in Mufulira, as the first born in a family of four. She did her primary education at Mary Moffat Primary School in Mufulira from 1968. She attended Form one and two at Chingola High School, and thereafter went to Kalomo Secondary school for Form Three. Mrs. Mwale completed her secondary school education at Samfya Secondary School in 1979 and was immediately deployed for Zambia National Service (ZNS) training at Luamfumu in Mansa for six months, where she emerged best recruit in range work.

IN RETIREMENT, YOU ARE IN THE REAL WORLD! ACCEPT IT AND SOLDIER ON!"

– Mrs. Sampa Mwale

Mrs. Mwale later did her secretarial training at Kabwe Trades Training Institute. Upon completion, she joined Bank of Zambia on 24th January 1983 as a Stenographer and rose to the position of Secretary. "I worked in various departments of the bank including Audit, Bank Supervision, Banking and Currency, Finance and Bank Secretariate." The various departments gave her an opportunity to understand most of the functions and operations of the Central Bank. She reminisces enjoying working in every department she was assigned to, her last being Bank Secretariate. Mrs. Sampa expressed her profound gratitude and appreciation to the Bank for recognising her and awarding her the "Most Dependable Worker" on Labour Day in 2010. The award was for the work carried out in the Bank Secretariate Department.

Mrs. Mwale got married in 1989 to her husband Mr. Teddie Mwale, a seasoned Energy Economist who worked for the Zambia Electricity Supply Company (ZESCO) as Director – Customer Services and retired in 2009. Mr. Mwale currently operates as Consultant in his field of expertise. The couple was blessed with three daughters, unfortunately the first born answered the Lord's call on 20th November 2019.

Asked what her attitude towards retirement was whilst in active employment, Mrs. Mwale explained that she had mixed feelings about retirement, especially when she looked at different retired employees and how they fared after retiring. "Some really inspired me, while some gave me second thoughts. At the end of the day, it is all dependant on one having a clear vision."

Mrs. Sampa narrated

ONE NEEDS NOT INHERIT WEALTH TO LIVE THEIR DREAMS. THE BOTTOM LINE IS FOCUS, PASSION, HARD WORK, AGGRESSION, AND COMMITMENT.

– Mrs. Sampa Mwale

Mr. and Mrs. Mwale

that whilst in employment, apart from sitting in front of the typewriter (and later computer), she had a passion for designing and making clothes. She started making clothes for herself and friends as far back as her school days. "I remember I had once designed and single handedly made outfits for Bank of Zambia Ladies for the Labour Day match past in 1992, and they were awarded best dressed." That was before she considered starting a tailoring company.

Inspired by the series of events and her passion for design and tailoring, Mrs. Mwale has continued with this business in

Sawetha Gardens – Events hire venue

Mrs. Mwale at home

retirement and does it with passion and interest. She currently has an established Small-Medium Enterprise (SME) with a workforce of seven tailors, designing and making attires as dictated by the market. She also runs a hair salon with her daughters and hires out her property (Sawetha Gardens) in Mapepe, Chilanga, for various events.

Business challenges post-retirement

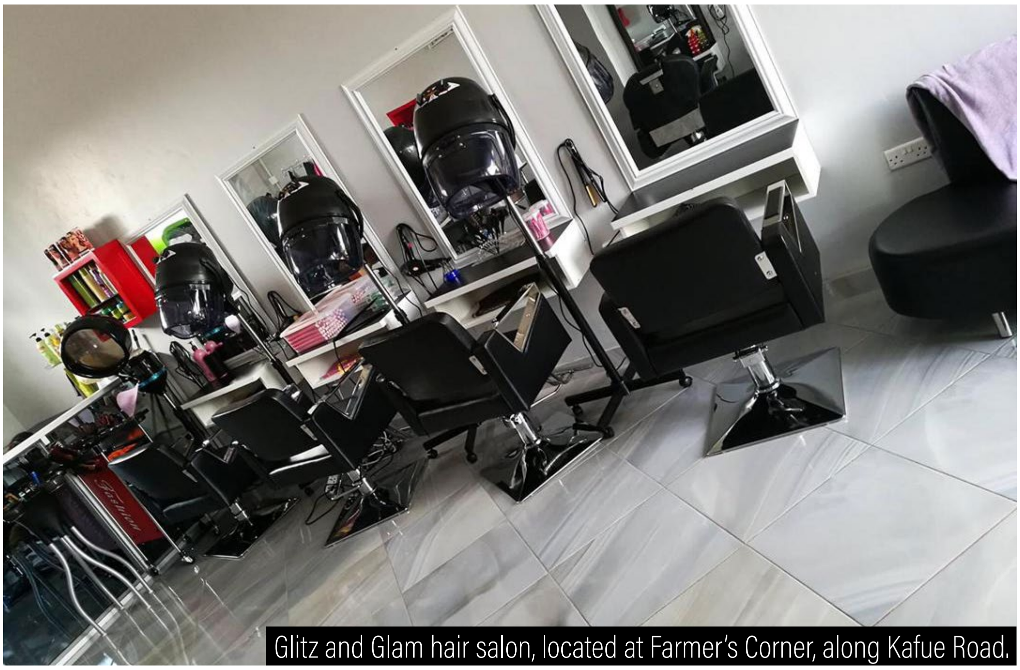
Generally, Pensioners have set up various business ventures from which they derive additional income apart from their monthly pension. Mrs. Mwale shared that the Covid-19 pandemic which impacted economies world-wide, did not spare her from the devastating effects. Asked what the effect of the pandemic was on Pensioners, her view was that Pensioners' businesses were negatively affected because the pandemic had adversely affected the income of customers. This reduced income for the small businesses which are run by Pensioners.

Overcoming business challenges

To overcome the challenge of reduced business during the global pandemic, Mrs. Mwale tapped into solutioning for the nationwide and global demand for face masks. She was able to supply face masks to the Disaster Management and Mitigation Unit (DMMU). Additionally, she would supply one thousand face masks to international organisations that operated cross-border transport companies in Zambia, monthly. She halted travelling to China for purchase of material and other business input but resorted to ordering through the internet via online shopping from her trusted suppliers. The online shopping solution ensured continuity of her business. Mrs. Mwale's determination to overcome business challenges during a global pandemic should encourage all Members that even through national and global catastrophes, such as the current drought situation, solutions are available to be tapped into.

A word of encouragement to the Upcoming Retirees

Mrs. Mwale advised that there are challenges of life after employment which may wear one out if not focused. "It is important to note that there are a lot of incentives that we enjoy when in full-time employment, which are not available in retirement. You must fend for yourself as a Pensioner in order to fill this gap that is created. In retirement, you are in the real world! Accept it and soldier on!" She further advised the upcoming retirees to stay focused and have a clear vision for their future. "Start building your retirement home whilst in active employment and avoid using your pension benefits to build your retirement home. Don't plan to embark on activities and ventures that you did not manage to do when you were in employment. In retirement, you are your own boss! You plan your day according to your needs. Always stay focused and don't over stress yourself".


Glitz and Glam hair salon, located at Farmer's Corner, along Kafue Road.

Concluding Remarks by Mrs. Mwale

In her concluding remarks, Mrs. Mwale encouraged the spirit of hard work, focus and passion. In her retirement, she can do what she loves to do, and earning from it, that is an added bonus. She further added that she was inspired by her mother, who never went to school but pushed herself to night-school for literacy purposes and thereafter was able to enjoy reading the Bible. Mrs. Mwale earned her worth through hard work and dedication. Her mother was a baker and father worked for Malcom Hospital as Stores Superintendent in Mufulira. Therefore, it is possible to aim high and live your dream. One need not inherit wealth to live their dreams. The bottom line was focus, passion, hard work, aggression, and commitment. ■

THE DOCTOR'S CORNER

The KPTF news crew caught up with Dr. Muchesa Chikuye for an article on non-communicable diseases. Dr. Chikuye provided a general overview of the noncommunicable diseases, and in-depth details on diabetes.

Note that information sources for the Doctor's article also included World Health Organisation publications, general publications using certified web-based search engines.

ABOUT THE AUTHOR

Dr. Muchesa Chikuye is a graduate of the University of Zambia, School of Medicine, who has worked at the Levy Mwanawasa University Teaching Hospital for over four years and is currently pursuing a postgraduate degree in General Surgery.

Dr. Chikuye's interest in diabetes stems from the fact that poor compliance to lifestyle changes and medical treatment means an increased number of diabetic foot related complications and ultimately the need for surgical intervention.

Overview

Non-communicable Diseases (NCDs) are medical conditions that cannot be passed from person to person through direct contact (such as touching or shaking hands), indirect contact (such as contaminated food, water or air), or vectors (insects, ticks or other animals).

According to the World Health Organisation (WHO), NCDs, also known as chronic diseases, tend to be of long duration and are the result of a combination of genetic, physiological, environmental and behavioural factors. The main types of NCDs are cardiovascular diseases (such as heart attacks and stroke), cancers, chronic respiratory diseases (such as chronic obstructive pulmonary disease and asthma), diabetes, mental health disorders (such as depression, anxiety or bipolar disorder), neurological disorders (such as Parkinson's disease), genetic disorders such as sickle cell anaemia) and autoimmune diseases.

NDCs are a major public health concern as they are leading causes of death and disability worldwide and are responsible for significant economic burdens. The World Health Organisation, Country Disease Outlook for the African Region, August 2023, reports that NDCs are responsible for 41 million deaths annually, which is approximately 74% of all deaths worldwide. In addition to this, cardiovascular diseases account for most NCD deaths, or 17.9 million people annually, followed by cancers (9.3 million), chronic respiratory diseases (4.1 million), and diabetes (2.0 million including kidney disease deaths caused by diabetes). These four groups of diseases account for over 80% of all premature NCD deaths. Tobacco use, physical inactivity, the harmful use of alcohol, unhealthy diets and air pollution all increase the risk of dying from an NCD.

The African region has some of the highest rates of cervical cancer cases and death, contributing 21% of global cervical cancer deaths (WHO – Ending Diseases in Africa, Responding to communicable and noncommunicable diseases: Progress report 2020 – 2022). According to the Country Disease Outlook, Zambia Report (August 2023), the age-standardised mortality rate across four major NCDs (Cardiovascular Disease, Chronic Respiratory Disease, Cancer and Diabetes) was 938 per 100,000 in males and 599 in females, in 2021. Furthermore, the Ministry of Health, through the official Press Statement for 2023 End of Year Performance Highlights, reported that approximately 23% of all deaths in Zambia were attributed to NDCs. However, detection, screening and treatment of NCDs, as well as palliative care, are key components of the response to NCDs.

In this edition of the Kwacha Pension Trust Fund Newsletter, we shall focus on diabetes.

About Diabetes

Diabetes is a chronic medical condition that affects how one's body turns food into energy. It ▶▶

is mainly characterised by high blood sugar levels which can lead to various complications if left unmanaged.

Types of diabetes

Type 1 Diabetes: This is an autoimmune disease where the body attacks insulin-producing beta cells which are located in the pancreas.

Type 2 diabetes: This is a metabolic disorder where the body becomes resistant to insulin, and the pancreas cannot produce enough insulin.

Gestational diabetes: A temporary condition that develops during pregnancy, usually in the second or third trimester.

LADA (Latent Autoimmune Diabetes in Adults): A form of Type 1 diabetes that develops in adults, often after the age of 30 years.

MODY (Maturity-Onset Diabetes of the Young): A rare, genetic form of diabetes that typically develops in young adulthood.

Myths about diabetes

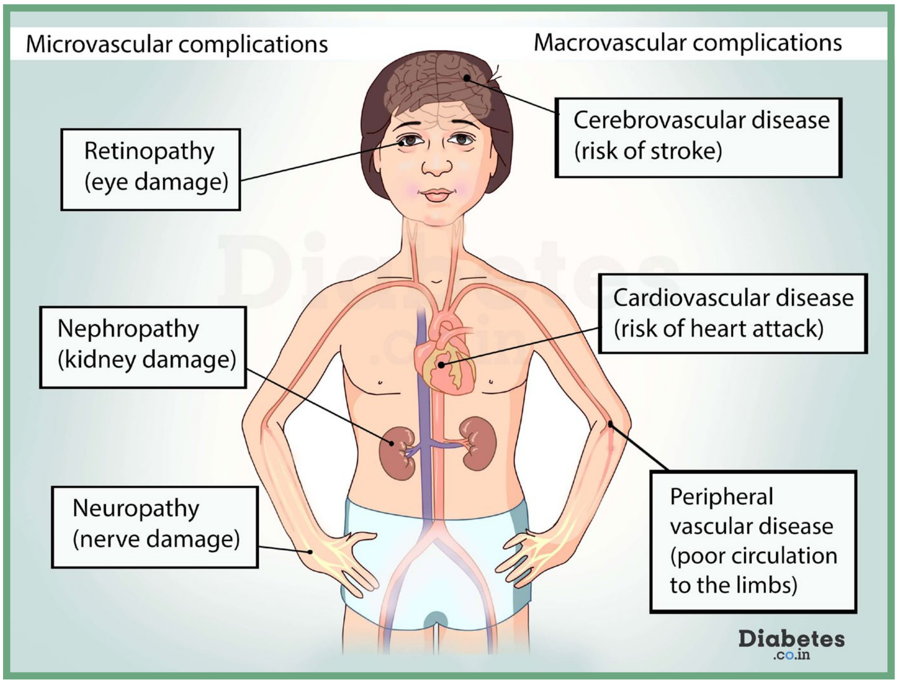
Diabetes is caused by eating too much sugar. Sugar consumption is not the sole cause of diabetes. The reality is that type 1 diabetes is an autoimmune disease, whilst Type 2 is caused by a combination of genetic and lifestyle factors such as obesity and physical inactivity.

Diabetes is only a problem for old people: Wrong. Whilst age is a risk factor, diabetes can affect people of all ages. Infact, Type 1 diabetes often develops in childhood or adolescence.

Diabetes means that one will eventually become blind or lose a limb: While diabetes can increase risk of complications like nerve damage, kidney disease and vision loss, these outcomes are not inevitable. Regular health check-ups and lifestyle changes are cardinal to prevent or delay such complications.

Everyone with diabetes must follow a "diabetes diet": There is no one-size-fits-all diabetes diet. However, a healthy, balanced diet is essential for managing diabetes. It is important to see a registered dietician or healthcare provider for a personalised meal plan that takes into account the necessary needs, as well as preferences.

People with diabetes cannot eat sweets or carbohydrates: Sweets and carbohydrates can be consumed in moderation, as part of a balanced diet. The key is to manage the portion sizes and choose complex carbohydrates such as whole grains, fruits and vegetables.



Common Symptoms of Diabetes

- Increased thirst and hunger
- Frequent urination
- Fatigue
- Blurred vision
- Slow healing of cuts and wounds
- Tingling or numbness in hands and feet

Complications of Unmanaged diabetes

If left unmanaged, diabetes can lead to the following:

Heart disease or stroke - High blood sugar levels damage blood vessels and arteries, making them more susceptible to blockages. Moreover, high blood sugar leads to inflammation in the body, which can lead to the formation of plaques in the arteries. It further causes blood vessels to narrow, reducing blood flow to vital organs.

To manage diabetes in order to reduce heart disease and stroke, it is important to work with your healthcare provider to manage blood sugar levels through diet, exercise and medication. Maintaining a healthy weight, exercising regularly, and having regular checkups should be prioritised. Citizens are encouraged to sign up and utilise the services of the National Health Insurance Management Authority (NHIMA) for medical attention at accredited medical facilities.

Kidney disease and failure - High blood sugar levels damage the blood vessels in the kidneys, making it harder for them to filter waste and excess fluids. It further leads to formation of scar tissue due to inflammation and scarring in the kidneys. High blood sugar levels also damage the kidney filters (nephrons), making it harder for them to remove waste and excess fluids. Managing blood sugar levels and high blood pressure through diet, exercise and medication can help prevent kidney damage. Regular health-checks are highly recommended to help monitor kidney function and detect potential problems early.

Nerve damage (neuropathy) - High blood sugar levels can damage the nerve fibres, disrupting communication between nerves and the brain. It can disrupt the metabolism of nerves, leading to a shortage of energy and nutrients for nerve function. The longer one has diabetes, the higher the risk of developing neuropathy. Uncontrolled high blood pressure can also accelerate nerve damage. To prevent this, managing blood sugar levels through diet, exercise and medication are a must. Regular foot exams can help detect nerve damage and prevent foot ulcers. Medications and physical therapy can help manage neuropathy symptoms.

Blindness and vision loss - High blood sugar levels can cause damage to the blood vessels in the retina, leading to leaks, blockages and growth of new, fragile vessels. The damage to blood vessels can reduce blood flow to the retina, leading to vision loss. Vision loss or eye diseases emanating from diabetes can be avoided by having regular eye exams, and managing the blood sugar levels through balanced diet, healthy weight and lifestyle choices. Various treatment such as laser surgery, injections and vitrectomy can help manage diabetic eye diseases and prevent vision loss.

Foot damage and amputations - High blood sugar levels can lead to damaged nerves causing numbness tingling and loss of sensation in the feet. It can damage the blood vessels, leading to narrowing and reduced blood flow to the feet, which makes it harder for wounds to heal. This in-turn increases the risk of foot ulcers which can be painful and difficult to heal. Once foot ulcers are infected, serious complications such as bone infection can occur. Untreated ulcers can lead to gangrene, which then requires amputation to prevent the spread of infection and save the patient's life. To avoid foot damage and amputation, it is important to carry out regular foot exams, wearing proper footwear, practicing good foot hygiene such as washing and drying feet daily. Quitting smoking can also reduce the risk of foot complications.

Cognitive decline and dementia - High sugar levels can lead to damaged blood vessels in the brain, reducing blood flow and oxygen delivery to the brain cells. It can also lead to insulin resistance and impaired insulin signalling in the brain, contributing to cognitive decline. However, engaging in regular physical activity can help improve cognitive function and reduce the risk of dementia. Stress management techniques and regular health checkups also help reduce the risk of dementia.

Concluding remarks

Receiving a diagnosis of diabetes can be overwhelming, however, please note that many people live very long, healthy lives with diabetes. Choosing the right treatment plan and lifestyle can reduce the risk of complications. It is important to be in control of having a balanced diet, carrying out physical activities and adhering to medical instructions, if on treatment. Diabetes is a manageable condition and is not a death sentence.

HUMOUR PAGE

"I can't wait to retire so I can get up at 6 o'clock in the morning and go drive around really slow and make everybody late for work." — Unknown

"The trouble with retirement is that you never get a day off." — Abe Lemons

"He who laughs last at the boss's jokes probably isn't far from retirement." — Unknown

"In your retirement years never drink coffee at lunch, it will keep you awake in the afternoon." — Unknown

"Spreading sheets sounds more appealing than a spreadsheet." — Unknown

"There comes a day when you realise turning the page is the best feeling in the world. Because you realize there is so much more to the book than the page you were stuck on." - Zayn Malik

DID YOU KNOW?

Changes in the Law

Payments of pension benefits by the Fund are governed by the Fund Rules and the Law. In terms of commutation of pension benefits, the Rules have historically been anchored on the provisions of the Fourth Schedule of the Income Tax Act (ITA). The Schedule was repealed in December 2022, and its salient features applicable to private pension schemes were introduced in the Pension Scheme Regulation (Amendment) Act No. 28 of 2022. One of the features was the revision of minimum pension to 20% of the Annual National Average Earnings from the K5,000 per annum, which was contained in the Fourth Schedule of the ITA. It is worth noting that the Fourth Schedule of the ITA had also undergone several changes in the past. Suffice to say that changes in the Law do not apply retrospectively. This means that the change of minimum pension from K5,000 per annum to 20% of Annual National Average Earnings is only applicable to Members that retired post December 2022.

The minimum pension for the year 2024 was K1,490.80 per month, translating to K17,889.60 per annum, as advised by PIA. As at 30 September 2024, the Fund sought legal opinion on the possibility of commuting all monthly pensions below ZMW 1,500 into a lumpsum for affected Members and Beneficiaries, subject to Actuarial determination and individual consent by the affected Members. Details on the outcome of this investigation will be reported in the next edition of the KPTF Newsletter.

CHANGES IN THE LAW DO NOT APPLY RETROSPECTIVELY. THIS MEANS THAT THE CHANGE OF MINIMUM PENSION FROM K5,000 PER ANNUM TO 20% OF ANNUAL NATIONAL AVERAGE EARNINGS IS ONLY APPLICABLE TO MEMBERS THAT RETIRED POST DECEMBER 2022.

Rising Dependency Ratio

Kwacha Pension Trust Fund is a closed and mature pension Fund. The Fund was closed to new entrants in the year 2004. Consequently, the composition of the Fund Membership has seen a steady decline in Active membership overtime.

The total Membership as at 31st December 2024 was 454, including 75 Active Members, 376 Pensioners/beneficiaries and 3 former deferred Members that were yet to be paid. Ideally, in an open pension Fund, the contributions remitted by the Active Members, plus the investment income are supposed to cover the pension payments. However, the unique position of KPTF shows an inverted case, where the ratio of Pensioners plus Beneficiaries far outweighs that of Active Members, in terms of both numbers and the expenses versus income ratio. The dependency ratio as at 31st December 2024 was 505%. This has potential to cause a liquidity strain on the Fund. To manage this mismatch, Management and the Board of Trustees have put in place an Investment Strategy, aligned to the Fund's overall Strategic Plan, with the main focus being financial sustainability and operational efficiency. Actuarial valuations are regularly conducted to determine and monitor the funding level. As at 31st December 2023, the Fund's funding level was 110.8%, as revealed by an interim Actuarial valuation. The last time the Fund was in an actuarial surplus was in 2012. Suffice to mention, that there were events that happened post valuation date, such as salary increments for Active Members, that may affect this position. The next Statutory Actuarial valuation will be conducted as at 31st December 2024.

Abolishment of Deferred Membership

On 11th February 2021, the Pensions and Insurance Authority (PIA) issued a Circular to the Industry, directing that deferred Membership was abolished by Section 18 of the Pension Scheme Regulation Act of 1996, as interpreted by the Courts. Following the guidance, Members could no longer opt to defer payment of their pension benefits upon separating from the Employer before retirement age. Therefore, Members separating from the employer before the early retirement age of 55 years can only either transfer their pension or withdraw from the Fund.

COMPLAINTS HANDLING PROCEDURE

1. All complaints must be addressed to the Fund Director in writing and must contain the full name, contact address, phone number and email address;
2. Explain the complaint as clearly and simply as possible;
3. Submit supporting documentation, if any;
4. The Fund will acknowledge receipt of your complaint within 2 working days;
5. Determination of a complaint shall be within 14 working days or earlier, depending on the level of investigation required;
6. Complaints not resolved within 90 days will be reported to the Pensions and Insurance Authority (PIA) through the Quarterly Complaints Status Report;
7. The Fund will provide regular updates until the complaint is fully resolved; and
8. Members who are not satisfied with the resolution of their complaints have the right to escalate their complaints to PIA.

KEY TAKEAWAYS FROM THE MEMBER SENSITISATION SEMINARS HELD IN 2024

Some of the key take-aways from the Pension Awareness Week Member sensitisation workshop that was organised by the Fund, which took place on 7th November 2024 were as follows:

- Whilst in employment, one must make a choice to either live for the moment or plan for retirement. The one who lives for the moment will depend on others to meet expenses in retirement and their relationship with children can be strained. On the other hand, the one who plans for retirement enjoys independence in meeting expenses and has a better relationship with the children in retirement;
- Debt Management – Keep records of your debt, create a budget, cut back on non-essential spending, use any spare money to overpay your debt, and work towards retiring debtless;
- Your financial outcome is your business, take charge;
- Critically analyse the advantages and challenges of various investment options before investing;
- Maintain physical and mental well-being in retirement; and
- Estimate how much you will need in retirement by applying the following 4% rule:

How much will you need in retirement?

- Take your current monthly expenses – e.g ZMW 20,000
- Annual expenses – ZMW 240,000.
- What you need for retirement – ZMW 240,000 multiply by 25 = ZMW 6,000,000 (the 25 times rule).
- The 4% rule in retirement – draw 4% of retirement portfolio in the 1st year of retirement.
- In the following years, adjust the 4% to take care of inflation.

With the above formula, a retiree can live comfortably for 30 years after retirement.

* Source: Extract from Finnet Institute Retirement Planning Member Sensitisation Presentation held on 7th November 2024)