

ACT NO. 27 OF 2020

I assent.

J. K. KONROTE
President

[31 July 2020]

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 2020.

(2) This Act comes into force on a date or dates appointed by the Minister by notice in the Gazette, except for section 3 which comes into force on 1 August 2020.

(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 after the definition of “document” by inserting the following new definition—

““drawdown account” means an account established by the Board as the result of an option exercised by an FNPF member or nominee of the FNPF member, referred to as the holder of the drawdown account, consequent on an entitlement event, and which provides for a phased payment of the funds lodged in the account by the holder of the drawdown account as governed by regulations for that purpose;”.

Section 40A amended

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

- (a) in subsection (1), deleting “31 December 2020” and substituting “31 December 2021”; and
- (b) in subsection (2)—
 - (i) deleting “2020” and substituting “2021”; and
 - (ii) deleting “31 January 2021” and substituting “31 January 2022”.

Section 44 amended

4. Section 44 of the Principal Act is amended after subsection (2) by inserting the following new subsections—

“(3) The Board may, consequent on an entitlement event, on application by an FNPF member or nominee of the FNPF member, establish an account (the “drawdown account”) and the holder of the drawdown account must be the FNPF member or, if the FNPF member has died, the nominee of the FNPF member.

(4) The holder of the drawdown account must be the FNPF member or the nominee of the FNPF member for such time the drawdown account has a non-zero balance.

(5) Payments from the drawdown account to the holder of the drawdown account may only be made in accordance with regulations governing the operation of subsections (3) to (7).

(6) Notwithstanding any other provision of this Act, an entitlement event does not apply in respect of a drawdown account.

(7) Notwithstanding any other provision of this Act, the holder of a drawdown account is not eligible for the Special Death Benefit in any financial year unless he or she has had a Special Death Benefit premium deducted from his or her general entitlement subaccount.”.

Section 47 amended

5. Section 47(1)(c) of the Principal Act is amended after “entitlements” by inserting “and drawdown accounts”.

Section 48 amended

6. Section 48(9) of the Principal Act is amended after “general entitlement” by inserting “and each drawdown account”.

Section 49 amended

7. Section 49 of the Principal Act is amended after subsection (3) by inserting the following new subsection—

“(4) The Board must debit an FNPF member’s drawdown account with the following—

- (a) amount withdrawn or deducted from the account in accordance with this Act and regulations; and

(b) fees and charges that this Act or the regulations authorise to be debited to the account.”.

Section 52 amended

8. Section 52 of the Principal Act is amended after “of withdrawal” by inserting “, provided that if an FNPF member applies to have all or part of his or her entitlements applied to a drawdown account, an application for withdrawal must be made for the whole of the FNPF member’s preserved and general entitlements”.

Section 54 amended

9. Section 54 of the Principal Act is amended by deleting subsections (4) and (5) and substituting the following—

“(4) Payments in accordance with this subsection are made as follows—

If the amount to be paid in accordance with this subsection is	the amount is to be paid in any one or more of the following ways, as directed by the FNPF member in the withdrawal application
equal to or more than the conversion threshold but less than or equal to the minimum sum	<p>(a) to the Board – as payment for the basic annuity specified in the withdrawal application;</p> <p>(b) to the Board – to be credited to a drawdown account for the amount specified in the withdrawal application;</p> <p>(c) to the provider of an approved retirement income product specified in the withdrawal application – as payment or part payment for the product.</p>
more than the minimum sum	<p>(a) for so much of the amount as equals the minimum sum—</p> <p>(i) to the Board – as payment or part payment for the basic annuity specified in the withdrawal application;</p> <p>(ii) to the Board – to be credited to a drawdown account for the amount specified in the withdrawal application;</p> <p>(iii) to the provider of an approved retirement income product specified in the withdrawal application – as payment or part payment for the product; and</p>

	<p>(b) for the excess over the minimum sum—</p> <ul style="list-style-type: none"> (i) to the Board – as payment or part payment for the basic annuity specified in the withdrawal application; (ii) to the Board – to be credited to a drawdown account for the amount specified in the withdrawal application; (iii) to the provider of an approved retirement income product specified in the withdrawal application – as payment or part payment for the product.
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(5) Payments to the Board under subsection (4) are to be made by transferring the amount of the payment from the FNPF to the Retirement Income Fund for a basic annuity and to the drawdown account in the FNPF established by the Board for the FNPF member.”.

Section 56 amended

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

(a) in subsection (2) after paragraph (a), inserting the following new paragraph—

“(aa) the member’s drawdown account;”; and

(b) deleting subsection (4) and substituting the following—

“(4) A nominee’s right for an option for subsection (2)(aa) and (c) is only effective if only one person is nominated and, unless the FNPF member has no spouse, the sole nominee is the spouse of the deceased FNPF member.”.

Passed by the Parliament of the Republic of Fiji this 31st day of July 2020.