

From the Team

January 2024

## Zambia – NAPSA Ceiling Increase

The National Pension Scheme Authority is mandated to review the contribution ceiling and pension payments annually and adjust them in line with the change in the National Average Earnings (NAE). This is in accordance with section 35 of the National Pension Scheme Act No 40 of 1996. The National Pension Scheme Authority wishes to advise that the maximum monthly deductible employee's contribution amount for the year 2024 has been revised to K1,490.80 and correspondingly, the maximum monthly payable employee and employer statutory contribution amount has moved to K2,981.60.

The above adjustment follows changes in the National Average Earnings (NAE) figure as determined by the Zambia Statistics Agency. The NAE figure for 2024 has increased to K7,454.00 from K6,710.00 in 2023.

The contribution rate, however, remains unchanged at 10% of an employee's monthly gross earnings and for NAPSA purposes, earnings refer to any benefit given by an employer in exchange for the employee's service. Earnings, therefore, include basic salary, bonuses, commission, severance pay, overtime allowance, leave allowance, acting allowance, commuted leave days, etc.

Click [here](#) for the official document.

## NAPSA Ceiling Increase

The NAPSA contribution ceiling has increased from K26,840.00 to K29,816.00, effective from 1 January 2024.

The contribution percentage remains unchanged.

Therefore, the maximum contributions are:

- $K29,816.00 \times 5\% = K1,490.80$  for the employee.
- $K29,816.00 \times 5\% = K1,490.80$  for the employer.
- Total contribution = K2,981.60

NAPSA Monthly Maximum Rate (2023)	NAPSA Monthly Maximum Rate (2024)
K1,342.00	K1,490.80

## Paymaster Impact

- The new ceiling is effective 1 January 2024.
- All Zambia payrolls have been recalculated.
- Refer to release note #58415 for more information on the Tax Table changes for the 2024 tax year