



**SOLOMON ISLANDS NATIONAL PROVIDENT  
FUND (AMENDMENT) BILL 2018**

**(NO. 12 OF 2018)**





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BILL

Entitled

**AN ACT TO AMEND THE SOLOMON ISLANDS NATIONAL PROVIDENT  
FUND ACT (CAP. 109).**

**ENACTED BY THE NATIONAL PARLIAMENT OF SOLOMON  
ISLANDS.**

**SOLOMON ISLANDS NATIONAL PROVIDENT FUND (AMENDMENT)  
BILL 2018**

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# SOLOMON ISLANDS NATIONAL PROVIDENT FUND (AMENDMENT) BILL 2018

## PART 1 PRELIMINARY MATTERS

### 1 Short title

This Act may be cited as the *Solomon Islands National Provident Fund (Amendment) Act 2018*.

### 2 Commencement

This Act commences on the date of assent by the Governor-General.

## PART 2 AMENDMENT OF SOLOMON ISLANDS NATIONAL PROVIDENT FUND ACT

### 3 Act amended

This Part amends the *Solomon Islands National Provident Fund Act* (Cap. 109) (the “*principal Act*”).

### 4 Section 8 amended

Section 8 of the principal Act is amended by:

- (a) deleting “each financial year” and substituting “September in each year”; and
- (b) deleting “that financial year” and substituting “the preceding financial year”.

### 5 New section 18A

The principal Act is amended by inserting the following new section after section 18:

#### “18A youSave Scheme

- (1) The youSave Scheme is established.
- (2) A person may be a member of the youSave Scheme if the person:

- (a) is between 16 and 70 years of age; and
  - (b) is a resident of Solomon Islands; and
  - (c) is not an employee at the time of joining the youSave Scheme.
- (3) The youSave Scheme is a voluntary contribution scheme.
- (4) The primary purpose of the youSave Scheme is to provide a voluntary savings scheme for people not in formal employment.
- (5) The following provisions of the Act do not apply to a person who joins the youSave scheme after the person turns 50 years of age:
- (a) the deduction of the amount prescribed under section 22(2) of the Act;
  - (b) section 34.
- (6) Section 28 and section 29 of the Act do not apply to members of the youSave Scheme.
- (7) The regulations may provide for the operation of the youSave Scheme.”

**6 Section 22(2) amended**

Section 22(2) of the principal Act is amended by:

- (a) deleting “and shall” and substituting “and in consultation with the Minister must”;
- (b) deleting “the sum of five dollars” and substituting “the amount prescribed by regulations”; and
- (c) deleting “five dollars” and substituting “the amount prescribed”.

**PART 3 AMENDMENT OF SOLOMON ISLANDS NATIONAL PROVIDENT FUND REGULATIONS**

**7 Regulations amended**

This part amends the *Solomon Islands National Provident Fund Regulations* (LN 90 of 1976 ).

**8 New regulation 61A**

The regulations are amended by inserting in Part VIII and before regulation 62, the following new regulation:

**“61A Amount prescribed**

For section 22(2) of the Act, the amount prescribed is \$30.”

**9 Regulation 62(a) amended**

Regulation 62(a) is amended by deleting “five dollars (\$5)”, and substituting “the amount prescribed by regulation 61A”.

**10 Regulation 63(a) amended**

Regulation 63(a) is amended by deleting “five dollars (\$5)” (wherever occurring) and substituting “the amount prescribed by regulation 61A”.

**11 Regulation 75 amended**

- (1) Regulation 75(1) is amended by deleting “twenty cents therefor” and substituting “\$50”.
- (2) Regulation 75(2) is amended by deleting “twenty cents” and substituting “\$50”.

**SOLOMON ISLANDS NATIONAL PROVIDENT FUND  
(AMENDMENT) BILL 2018**

**OBJECTS AND REASONS**

The Solomon Islands National Provident Fund Act is being amended to create the legal framework for the operation of the youSave scheme, a new voluntary pension scheme operated by the Solomon Islands National Provident Fund. Unlike the current NPF membership which is only accessed by those in formal employment, the youSave scheme is aimed at allowing those in informal employment to save for retirement. This new scheme improves the financial inclusion of pension savings in Solomon Islands and is supported by the Pacific Financial Inclusion Programme.

Other amendments are also being made to the Solomon Islands National Provident Fund Act to bolster the financial sustainability of the Special Death Benefit entitlement provided by the Solomon Islands National Provident Fund to its members. Currently the Special Death Benefit yearly premium has not been updated in over 40 years and is currently set too low for the Solomon Islands National Provident Fund to provide an appropriate Special Death Benefit entitlement to its members. The amendments update the Special Death Benefit premium and other monetary amounts specified in the Act that have been eroded by inflation over the last 40 years and no longer appropriately reflect the an appropriate monetary amount.

The amendments to the Solomon Islands National Provident Fund Act also change the timing for the declaration of the yearly interest to be credited to members' accounts. The amendments change the timing from the end of the financial year (30 June), to three months after the end of the financial year (end September), which will allow the Solomon Islands National Provident Fund to make the decision of how much interest to credit to members' accounts based on audited financial accounts rather than on unaudited accounts that could change. This change improves the financial soundness of NPF decision-making.

**HON. MANASSEH DAMUKANA SOGAVARE  
MINISTER FOR FINANCE AND TREASURY**



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**SOLOMON ISLANDS NATIONAL PROVIDENT FUND  
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**EXPLANATORY MEMORANDUM**

**Clause 1** provides for the short title of the Act.

**Clause 2** provides for the commencement of the Act.

**Clause 3** provides for the amendment of the Solomon Islands National Provident Fund Act.

**Clause 4** amends section 8 of the Act to allow for the declaration of the rate of interest of the preceding financial year at or before September each year.

**Clause 5** adds a new section 18A to establish the youSave Scheme and allows regulations to be made to provide for the operation of the youSave Scheme.

**Clause 6** amends section 22(2) of the Act, to allow for the amount deducted to be determined by regulations.

**Clause 7** provides for the amendment of the Solomon Islands National Provident Fund Regulations.

**Clause 8** adds a new regulation for the prescribed amount to be deducted under section 22(2) of the Act.

**Clauses 9 and 10** makes consequential amendments to regulations 62 and 63 to reflect the prescription of the deduction by new regulation 61A.

**Clause 11** increases the charges for issuing a duplicate certificate of membership and cancelling a single registration of an employee who registers more than once from \$0.20 to \$50.

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