



**NBWPF**  
NAMIBIA BUILDING WORKERS  
PENSION FUND

# MOOLAH

NEWSLETTER OF THE NAMIBIA BUILDING WORKERS PENSION FUND



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## Put Money Aside for Your Retirement

Irrespective of any special occasions, after a few years of economic downturn and large-scale retrenchments, discretionary income is possibly almost non-existent after average Joe has paid for the necessary cost-of-living expenses, and possibly supported his or her next-of-kin with buying their groceries and covering other expenses too.

“However, it begs the question as to whether one should not for a short moment consider the implications of not “paying oneself first”, says Mr Enwich Kazondu, principal officer of the Namibia Building Workers Pension Fund (NBWPF). “It is really important to put money aside for when one is retired, even if it is just a little bit”.

Without any provision for retirement, it would make it very difficult for most to maintain their standard of living once they are retired.

In the financial services industry, one often refers to the 80 percent rule, which practically means that ideally one should have enough retirement savings that allow one to have a monthly income available that would be between 80 and 85 percent of what one is earning pre-retirement

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That would mean, that if one's monthly income was NAD5000 before retiring, then one would have to have between NAD4000 and NAD4500 per month at one's disposal during retirement.

"Considering that the old age pension for citizen over 60 in Namibia is NAD1400 per month, it is therefore critical, that everyone plans effectively and builds a large enough nest egg , to avoid that being left destitute and vulnerable at the end of their working life," says Mr Enwich Kazondu.

"However, we know there is a degree of scepticism about putting money aside and paying into pension funds. This possibly has to do with the previously announced legislation which had stipulated that 75% of benefits required to be preserved until after retirement. However, this is not enforced. On the contrary, members of the NBWPF can indeed have their fund credit paid out if they resign or are retrenched, which however would have tax implications.

"At the same time, there might be a general lack of understanding of the benefits of paying into a pension plan. On the one side, if the pension fund is provided through an employer, the employer would have to match the employee's contribution and no tax would have to be paid on these contribution, as they are deducted before being taxed on one's salary."

In the case of NBWPF for the construction sector, the employee pays 4% of his or her pensionable salary and the employer makes an equal contribution of 4%. Therefore, it is important to recognise that this benefit actually increases the value of one's overall package".

Regardless, there are some who feel that their money is not safe and that they prefer to have much easier access and oversight.



Mr Enwich Kazondu - Principal Officer

Some pension funds, globally, fell also into disrepute due to their underlying investment decisions that were not prudent. However, that should not undermine the principle value of making use of pension funds to make provisions for one's retirement.

Nevertheless, if the discretionary income is limited and managing one's daily life becomes a balancing act, the first thing might still be to put some money aside in the case of emergency into a so-called emergency fund, and to pay off any high-interest bearing debts.

"We need to really become more aware not only of our current financial needs but also about what we can expect our spending needs to be in the future, when we are no longer earning an income. It is really a tough call to make, considering our current economic environment. But we always need to remember, it is never too late to start putting money aside. At the same time, the sooner one starts - even very early in one's work life - the better, as the benefits of compound interest over the years, will do their work. "Yes, we are also aware that pension fund contributions are not the only way to make sure that one has enough to live comfortably when one retires. Although pension funds are an optimal vehicle for what one aims to achieve, there are other options as well, but these are best to be part of an overall personal financial strategy, and it may well be prudent to seek advice from an independent financial advisor".

# ACTIVITIES OF THE FUND



Great efforts are being made by the advisory team of the NBWPF to engage employers and employees in the construction sector. This involves meetings and information sessions with contractors all over Namibia.

It is a legal obligation that employers in the construction sector register employees with a pension fund as per the Collective Agreement published in Government Gazette No. 7675 of 2 November 2021. This makes the conditions as stipulated in the Collective Agreement applicable and mandatory for everyone operating in the sector, irrespective of whether the employing business is a member of the Construction Industries Federation (CIF) or not.

Employers are therefore informed about this requirement; i.e. that their employees have to be registered with the NBWPF or with a pension fund that offers benefits that are equal - or better - than the benefits offered by the NBWPF.

The teams of the respective employers are also informed about the importance of putting money aside for their retirement; as well as the specific benefits offered by the NBWPF.

Employers are encouraged to get in touch with the NBWPF to obtain more information and to register their employees with the fund at [info@nbwpf.com](mailto:info@nbwpf.com).



## Money Saving Tips

Besides having a personal budget where you know what your income is and how much you can spend and on what on a monthly basis, there are many other steps you can take to save a little more.

If one can afford it, **buying bulk** is really the way to go. Larger quantities and volumes are often "cheaper". That means if you buy four 250 ml bottles of cool drink at once, you will probably pay more than if you were to buy one 1 litre bottle.

Many families buy bulk, and we know that there are attractive **combos** out there to buy. If however, you cannot really afford to buy bulk or combos or you live on your own, why not join forces with your neighbours, colleagues or your friends? This might save you some bucks. Hey, every little bit helps.



# LIVING HEALTHY



It is always easy to make suggestions about how to lead a healthy lifestyle but it is not always that easy to practice what you preach. The thing is, what we do are often deeply engrained habits. But awareness about the benefits a healthy lifestyle can bring, may encourage us to become a bit more focussed on what is good for us.

The truth is, a healthy mind and body can help us not only to lead a happier life but possibly also a longer life. If however, getting very old is not so important to you, then maybe just "feeling good" and spending less money on our health, especially when we grow older, appeals to you. They say, the best investment your can make, is in your health!

What really is the point if you put money aside for your retirement but you are struggling with aches and pains or some more severe medical conditions?

Of course there are other benefits: you feel more energetic and will be more fun to be around with, and you can lead a more productive life.

There are so many things we can do. But focusing on a healthy diet is very important, next to reducing your alcohol consumption and if you smoke, stop! Exercise, good sleep and rest are on top of the list. Reducing your stress and socialising with your family and friends, naturally is also good for us.

Yes, leading a healthy lifestyle requires commitment and dedication. You will hear more in future editions of *Moolah*.



## Easy Spaghetti Bolognese

We will regularly provide you with some interesting recipes of some healthy dishes you can cook. It is best to try and eat a balanced diet and a variety of foods as this is more nutritious.

Frankly, too much of anything generally is not good. Instead one should focus on moderation. For example, eating red meat every day, is not only difficult to afford but also not that healthy in the long run.

### Ingredients

- 500 gram of minced meat
- one large onion (chopped)
- one large carrot (finely diced)
- 3 garlic cloves (crushed)
- 2 tablespoons vegetable oil
- 1 teaspoon of salt
- 1 teaspoon of black pepper
- 1/2 teaspoon of Paprika powder
- 2 teaspoons Oregano (or mixed herbs)
- 500 g spaghetti
- 2 tablespoons tomato paste
- 2 tins of crushed tomatoes

### Instructions

- Select a large enough pot and put it on medium heat.
- Heat the oil in the pot
- Add the onions and the carrots
- Once the onions are a bit golden, you can add the garlic and stir
- Just a few minutes later, add the minced meat and stir well enough so that it does not stick together - fry it until it is no longer pink
- Then you can add the herbs as well as the tomato paste and stir well.
- Now you can put in the 2 tins of tomato and bring the mixture to boil.
- Spice with salt and pepper and paprika- according to taste.
- Lower the heat and cook for another 20 - 30 minutes
- Cook the spaghetti - follow the instructions on the box.

Enjoy -But not every day! Remember we need to cut down on red meat!