



Solomon Islands National Provident Fund

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PRESS RELEASE

YouSave Team explain why fifteen percent deduction from youSave LoMobile Customers

We have noted commenters and critics on social media rightly raising the 15% cost to members when converting their paid airtime into their youSave saving accounts with the SINPF, as opposed to when a youSave member opens an account, makes a deposit and withdrawal through the physical traditional and other ICT based channels;

- 1) Walks into any of the SINPF Offices at Honiara, Gizo, and Auki to open an account, make a deposit and or a withdrawal with no fees paid on their savings
- 2) Deposit their savings to youSave authorized agents elsewhere in the country with no fees charged, and
- 3) Save money to their accounts via ANZ goMoney banking platform. This option is available to ANZ customers who are also members with no fees deducted from customers using this channel

Together with youSave LoMobile, members have the ability to select any of the 4 channels after assessing their options to open their accounts and or make their deposits.

Why do SINPF and its partners invested in youSave LoMobile, garner the support of the 2 competing mobile operators to develop and launch a unique innovation, the first in the world where airtime is used for savings. Just to have youSave members having to pay 15% on every deposit they make using their airtime.

The main goal of the airtime project is to provide **easy** and **secure** access to youSave members without having to come physically to SINPF head office in Honiara and other two provincial branches, by using the network of the two mobile operators, Solomon Telekom and Bmobile. They can do this any time and from anywhere in Solomon Islands, from the convenience of their homes, offices or wherever they are when connected to their networks.

Let us talk about the 15% deduction each time a member makes a deposit. There are 2 components. First is the 10% goods and sales tax on airtime that goes to the government. Now the airtime is used for savings so we need to do something about this because saving for retirement is not taxed.

The initial phase of youSave LoMobile (November 2019 to March 2020) will be used to collect data necessary to make a well informed request by our consultant, to the government for the waiver of the 10% GST imposed on the airtime. We are confident that the government will positively consider our request to waiver the 10% on the airtime converted for savings.

Once the government agrees, the 10% deduction will be removed for youSave savers.

The remaining 5% is the cost that a member pays to the 2 mobile operators for the use of their services. The 5% deduction is the price a member pay enabling him or her for the convenience to make a deposit at home without having to pay for a travel to a SINPF Branch that can cost more than the deposit a member wants to make. The minimum savings amount is \$10.

Under the youSave LoMobile, the SINPF is paying 3% to the 2 operators as well for their services. This is the price the Fund pays enabling the team deepened the collection of savings from our communities without having to make costly travels.

An added benefit for youSave members is the free channel that members used to check for their balances anytime anywhere for their current real time balances by dialing *673#. It is free, simple and you do not need to line up in the queue just to check for your youSave balance, let alone paying an expensive trip to a SINPF branch to do that.

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