



# **SOLOMON ISLANDS NATIONAL PROVIDENT FUND**

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## **JOINT PRESS RELEASE**

### **MINISTRY OF FINANCE AND SOLOMON ISLANDS NATIONAL PROVIDENT FUND BOARD**

The Minister of Finance in consultation with the Board of the Solomon Islands National Provident Fund has approved using his powers under section 50 of the SINPF Act to offer to members of the Fund who are affected temporary or permanently as a result of the scaling down or closure of their employer businesses due to the effects of the COVID-19.

The effects of the COVID-19 has in particular affected businesses in the hospitality and logging industries and generally in the public or other sectors where employers have to stand down or permanently lay off their employees during this uncertain period.

The effects and impacts of the COVID-19 are well documented by our government and Central Bank of Solomon Islands assessments and reports. Unfortunately most affected members are small wage earners.

The Minister of Finance has considered with responsibility, care and prudence to offer affected members considered above, without comprising in particular the SINPF Board's ability and commitment to pay out;

- 1) Its eligible 50 years and above members
- 2) Its other normal member withdrawals, and
- 3) Its guarantee to the financial institutions for loans members of the Fund had borrowed from them.

The following;

1. A sum of up to \$5,000 for members under the age of 50 years who are temporary laid off or stand down due to the effects of the COVID-19 or are unemployed. Members whose balances are below \$5,000 are to be paid 50% of their balances.
2. Members who are made redundant due to the effects of COVID-19 be waived the 3 months waiting period and be paid 1/3 of their contribution or in full, if the balance is less than \$10,000. The remaining balance will be paid according to the SINPF schedule.
3. Members who are aged 50 years and above can withdraw up to 20% of their contributions should they wish to or else they can elect to withdraw in full.
4. The application of member support will be for 3 months period effective 1st April 2020 to 30 June 2020.
5. Exemption of Surcharges will be considered and aligned to the SINPF Board Surcharge Policy for Employers.

We encourage all employers who have to stand down their employees during the uncertain period to document these measures with their employees properly and fairly for their return to work when this pandemic is over and normalcy returned.

For members who are made redundant as an effect of the pandemic the normal waiting period of 3 months will be waived when they apply for their contributions.

A large significant body of our Fund membership aged 50 years and above have continued to have their contributions remain with the Fund. By law under withdrawal ground 50 years and above they can withdraw in full the amounts in their accounts anytime at their choosing.

By granting a blanket window of opportunity for partial withdrawal by eligible members who are 50 years and above, will allow individuals in this class of members to directly apply to the Fund without having to apply to the Minister of Finance for exemption to partially draw their funds.

The period of the offer will be 3 months starting 1st April 2020 to the end of the Fund's financial year end on 30 June 2020. We will finalise the guidelines, the process, and procedures within the next few days prior to or just after the implementation date.

Affected employers can apply to the Board for the waiver of surcharge on late payment of their employee contributions.

Annually, on average over the past three years the fund had paid out benefits to 6,500 members. These waivers are unprecedented that will stretch the Fund's capacity to manage and implement in addition to normal withdrawals and payment of member benefits.

During this period of the state of emergency, our Prime Minister had called on all Solomon Islanders and residents in our community to observe and contribute to the national effort to contain the pandemic through social distancing and avoiding of large gathering.

For those members who had already visited the SINPF Honiara Head Office in the past two weeks, you have experienced being directed to observe the social distancing measure.

The SINPF Board will devise a system to manage the receiving of the application, processing, and payment of the benefits in observance of minimising large gathering of people and social distancing of members coming to our offices.

We are appealing for the cooperation of employers who we will be counting on for their support to assist us implement the offers for their affected employees during the 3 months period.

To affected employees and members of the Fund we would appreciate your patience and cooperation as we plan out a robust system to timely pay out the benefits without compromising the integrity of the fund.

We will issue out the guidelines, processes and procedures within the next few days through the print media, radio and other mediums of communications for all affected employers and employees to follow.

ENDS///...

30th March 2020