

From the Team

February 2023

## Zambia – NAPSA Ceiling Update

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 employers and the public that the National Average Earnings (NAE) have increased from K6 109.00 in 2022 to K6 710.00 in 2023.

Accordingly, the contribution ceiling has increased from K24 436.00 to K26 840.00 effective 1 January 2023. The contribution ceiling is the maximum amount on which the NAPSA contribution can be calculated. Any amount beyond that is not subject to the NAPSA contribution.

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

## NAPSA Ceiling Increase

The NAPSA contribution ceiling has increased from K24 436.00 to K26 840.00, effective 1 January 2023.

The contribution percentage remains unchanged.

Therefore, the maximum contributions are:

- $26\,840 \times 5\% = K1\,342.00$  for the employee.
- $26\,840 \times 5\% = K1\,342.00$  for the employer.
- Total contribution = K2 684.00.

NAPSA Monthly Maximum Rate (2022)	NAPSA Monthly Maximum Rate (2023)
K1 221.80	K1 342.00

## Paymaster Impact

- The new ceiling is effective 1 January 2023.
- All Zambia payrolls have been recalculated.
- Please refer to release note 48431 for more detail on the Budget changes for the 2023 tax year.