

Approved
REPUBLIC OF ZAMBIA
MINISTRY OF LABOUR
18 JUL 2019
OFFICE OF THE
LABOUR COMMISSIONER
P.O. BOX 32105, LUSAKA



ZUFIAW

Zambia Union of Financial
Institutions and Allied
Workers

MEMORANDUM OF COLLECTIVE AGREEMENT

BETWEEN



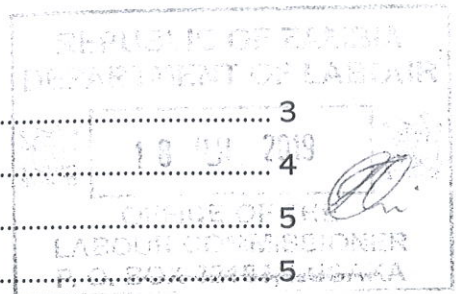
PRUDENTIAL

Prudential Life Assurance Zambia Limited

AND

**The Zambia Union of Financial Institutions and
Allied Workers**

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D. M. S.
M. S.
M. S.
M. S.
M. S.



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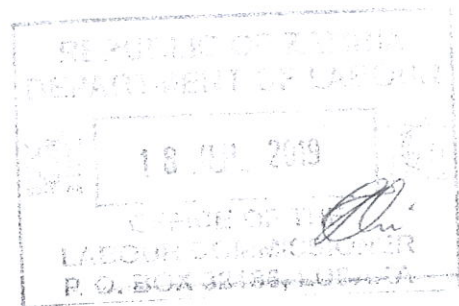
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Definitions / Interpretation

Calendar Leave Year shall mean the normal calendar year from 1st January to 31st December.

Employee shall mean a person employed in the Company, who is also a registered member of the Union Body.

Union or Union Body shall mean the Zambia Union of Financial Institutions and Allied Workers (ZUFIAW)

The Company shall mean the Employer, who in this case is Prudential Life Assurance Zambia Limited

Salary Range shall mean the range of pay with respect to each grade, having a minimum, midpoint and maximum amount applicable.

Bargaining Unit shall mean the collective name for the Management Negotiating Team and the Union Representation both from ZUFIAW and the Company.

Memorandum of Recognition Agreement shall mean the enabling document of this Collective Agreement, signed on 18th June Two Thousand and Fourteen (2014) between the Company and the Union.

Standard Subsistence Allowance shall mean the allowance paid to an employee who will not be accommodated by the Company for each night out of station and on duty.

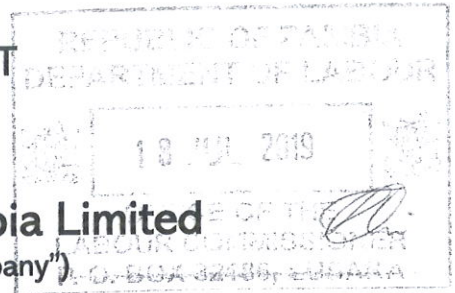
Wherever the masculine is used in this Agreement, it shall be construed as meaning the feminine or the neuter where the context so admits or requires and the converse shall hold as applicable.

COLLECTIVE AGREEMENT

BETWEEN

Prudential Life Assurance Zambia Limited

(Hereinafter referred to as the "Company")
of the one part



AND

The Zambia Union of Financial Institutions and Allied Workers

(Hereinafter referred to as the "Union")
of the other part

Representing employees eligible for representation by the Union in terms of Clause 2 of the MEMORANDUM OF RECOGNITION AGREEMENT signed on 18th June Two Thousand and Fourteen (2014) between the Company and the Union.

This Collective Agreement is made this 1st day of April 2019 between the Company and the Union (collectively referred to as "the parties") covering conditions of service as stipulated in Appendix B of the Memorandum of Recognition Agreement.

Duration of this Collective Agreement shall be for a period of not less than twenty-four (24) months commencing 1st April 2019 provided that:

1.0 Memorandum of Collective Agreement

- a) The parties agree that the agreed items shall be implemented effective 1st April 2019.
- b) The parties agree that salaries shall only be reviewed after 12 months from the effective date of this agreement. However, where prevailing economic conditions make it impractical for employees to reasonably get by with current salaries, either party to this agreement may call for a meeting to review salaries within 12 months of the date of the coming into effect of this Collective Agreement.
- c) Any time after 21 months of commencement of this agreement, either party will give to the other six weeks' notice in writing of its desire for this Agreement to continue in force for a further period to be agreed upon or of its intention to terminate the Agreement or alter any clause herein.
- d) In the event of emergency cases, both parties shall endeavour to meet as soon as possible but not later than 14 days.
- e) The terms of this Agreement shall be in accordance with the prevailing labour legislation.
- f) The provisions of this Agreement shall be valid subject to the Memorandum of Recognition Agreement between the Company and the Union remaining in force.
- g) Application for a Change or Amendment –

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It is agreed that if either the Union or the Company considers that any part of this Agreement should be changed or amended and if it is also considered that such a change is mutually beneficial to both the Union and the Company and provided it is clearly seen to be a valid reason to recommend such a change or amendment to this Agreement, it should be undertaken in the following manner:

- i) The Union or the Company shall indicate by letter its intention to discuss a change or amendment to the Collective Agreement.
- ii) Such a letter indicated in (i) above shall not be considered by the Bargaining Unit unless it is accompanied by written information/evidence or any other communication considered necessary to validate the intention to change or amend the Collective Agreement.
- iii) The party requesting the change or amendment shall allow the other party two weeks to consider the request. The Bargaining Unit shall after two weeks, but not longer than 28 calendar days after the date of the original letter, meet to discuss the proposed change.

2.0 Salaries

The parties agree that the company shall increase current salaries of Unionised staff by 10% for the period 1st April 2019 to 31st March 2020 for all unionised employees.

Future salary increments negotiation will be alternating year by year between quantum increment and percentage increment starting 2020 salary increments, on quantum.

2.1 Performance Related Salary Increment

Performance based increase will be done at Management's discretion.

2.2 Harmonisation of Salaries

Management will harmonize the salary ranges for employees working in the same grade and shall only vary based on employee's qualifications, work experience and individual performance.

2.3 Salary Advances

Salary Advance shall be recovered in (3) monthly instalments with interests as may be determined by the company.

2.4 Rental Advance

Rental advance shall attract interest as may be determined by the company from time to time. The Company shall pay all rental advances directly to the landlord or property manager. Maximum repayment period is (6) months.

3.0 Housing Allowance

Effective 1st July 2017, Housing Allowance was consolidated into basic pay.

4.0 Working Days and Hours

The Company's normal working hours are 42 hours a week, 40 of them being from 08:00 hours to 17:00 hours from Monday to Friday, with One hour lunch break taken any time between 12:00 hours and 14:00 hours. For the unutilized 2 hours each week, the Employee may be called upon to work on Saturday or Sunday. If the working hours are not specifically stated in the employment



contract, the employee should observe the normal office hours as referred to above. The working hours or normal office hours are referred to as the "Contracted Hours".

Employees may be expected to work any additional hours necessary to properly perform the duties and responsibilities of their position. Such additional hours that are worked at the direction of, or with the agreement of the line manager are "Directed Hours" and shall be taken as Overtime, only when the extra 2 hours is exhausted. Overtime shall be paid at 1.5 times the employee's hourly rate for weekdays and Saturdays and 2 times the employee's hourly rate for Sundays and public holidays. For the avoidance of doubt, overtime shall only count after the exhaustion of the 2 extra hours above.

5.0 ALLOWANCES

5.1 Relocation

When the Company requires an employee to transfer from one location to another between different towns, it will meet the following costs:

- a) **Removal expenses** for the employee, his or her family and household effects by road, unless management specifies otherwise;
- b) **Payment of Disturbance Allowance** equivalent to one month's Basic Salary, net of Tax, which will only be paid after the employee has reported to work at new location.

Disturbance Allowance shall not be payable to a new employee who must relocate to take up an initial appointment offered by the Company. In such a situation, the new employee is deemed to have self-requested to relocate prior to taking up the initial appointment.

No Disturbance Allowance shall be paid for self-requested and disciplinary transfers of employees. Disciplinary transfer is defined as arising out of being found guilty of an offence and relocation being necessary.

- c) Where accommodation is not found by the employee before the date of transfer, the Company shall accommodate the transferred employee for a maximum of 21 days. In case the employee refuses to be accommodated by the company for this period and instead decides to take money in lieu of accommodation, the Company shall pay standard subsistence allowance for up to 21 days. Standard subsistence allowance shall have the same meaning ascribed in the definitions sections of this Agreement.

6.0 Allowances

Out of Station on Duty Allowance

Where the Company requests an employee to stay away from the employee's contracted station of duty either in course of duty or on training (business trip), the following shall apply:

- a) The Company will accommodate such employees in a guest house, Lodge or Hotel. When accommodated by the company, employees will be paid an out of pocket allowance as classified in the following table:

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Grade	Rate (ZMK)
A - D	150

(b) an employee who is not or opts not to be accommodated by the company i.e. opts for own accommodation arrangement shall be entitled to a subsistence allowance for each night out of station at a rate classified below:

Grade	Rate (ZMK)
A - D	550

The subsistence allowance shall cover the employee's accommodation and meals for each day out of station.

Out of Station on duty but not spending a night

Meal allowance of K150.00 shall be paid to an employee who is travelling locally on business outside 25kilometers radius or more from station, but not spending a night.

Extra duty within station

Lunch Allowance amounting to K85.00 per day shall be paid to an employee working during Lunch Break period with prior approval from Head of Division.

Dinner Allowance amounting to K150.00 per day shall be paid to employee working beyond 20:00 hours with prior approval from the Head of Division

Any decision to reduce or remove any of the above allowances will be subjected to dialogue with the Union.

6.1 Training.

When attending training sponsored by the company, the company shall provide transport or reimburse cost of transportation to and from place of training. For all trainings organized by the Union body (ZUFIAW), all expenses shall be borne by the Union.

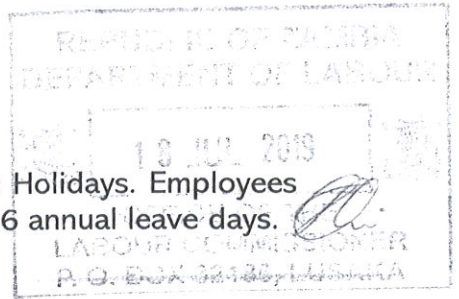
7.0 Annual Leave

Every employee shall be entitled to annual leave once in twelve (12) calendar months. Annual leave can only be taken after being confirmed and the employee having accumulated half of the annual leave entitlement.

Annual Leave allowance was consolidate into basic pay effective 1st July, 2017.

The parties agree that each employee shall accumulate 2 leave days per month translating into 24 working days being granted as annual leave. In granting leave days, the company

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shall do so exclusive of Saturdays, Sundays and Gazetted Public Holidays. Employees who have served the company for five (5) years shall be granted 26 annual leave days.

a) Leave Accrual

With the exception of new employees, an employee shall not carry over more than 7 days of their accumulated annual leave entitlement into the next leave year.

8.0 Funeral Grants

Funeral Grants shall be granted in the event of death of the following and at the rates accompanying each category of persons:

Employee	K6,000.00
Parent	K5,500.00
Spouse	K5,500.00
Dependant/Child (biological/legally adopted)	K5,500.00

The funeral grant is meant to cover the following expenses:

- a) A standard coffin
- b) Financial assistance towards funeral expenses
- c) 50 Kilograms of mealie meal
- d) Transport to and from the local cemetery or any amount required to hire such transport.

Note:

If any employee dies, in addition to the funeral grant for an employee, the company will provide a casket and a hearse to transport the body to and from the burial site.

9.0 Other Leave

9.1 Compassionate Leave

This shall apply as provided for in the Employment Code Act 2019

- a) Documentary evidence must be produced in support of Compassionate Leave application.
- b) Compassionate Leave shall not be granted if employee is already on leave.

9.2 Sick Leave

Sick leave shall be granted to an employee:

- (a) who is ill or injured;
- (b) who has undergone dental treatment;
- (c) who is on leave, if he or she is confined to his or her house or to hospital or some similar institution for a period determined by recommendations or a report from a registered medical practitioner.

All request for sick leave, should be supported by production of a medical certificate duly signed by a duly registered medical practitioner in accordance with the legal and regulatory requirements of the Health Professions Council of Zambia. The certificate should confirm that the employee is unfit to discharge his or her duties and should also specify the period of leave applied for and necessary for the recovery of the employee's health.

The limits for paid sick leave shall be as follows:

- a) full pay for the first 90 calendar days
- b) half pay for the subsequent 90 calendar days

An employee, who has exhausted his or her sick leave provisions of continuous six (6) months may be granted paid annual leave due to him or her. However, when such sick leave and annual leave are exhausted, the Company may, on the recommendation of a registered medical practitioner declare that the employee be medically discharged immediately or remain on unpaid leave of absence for a further period not exceeding 30 calendar days and then be medically discharged if still not certified fit for work by a registered medical practitioner.

9.3 Special Leave

Any request for special leave will be granted at Management's discretion.

9.4 Maternity Leave

This shall apply as provided for in the Employment Code Act 2019.

9.5 Paternity Leave

The provision of Employment Code Act 2019 shall apply.

9.6 Mother's Day

Every female employee shall be entitled to one working day's absence from work once every month without giving reason.

9.7 Study Leave

Granting of study leave is a management function and shall be administered in accordance with the prevailing Learning and Development applicable policies. The parties agree that the current status quo pertaining to study leave and reimbursement for study of Insurance programs will continue until a new Learning and Development Policy is in place.

10.0 Medical Scheme

All employees of the company with their registered dependants shall be entitled to medical care locally under the terms of the Promed Scheme for employees.

This facility shall only be applicable to the following:

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- a) Employee's spouse (if not already covered by another scheme under another employer)
- b) A maximum of three registered dependent children or legally adopted children aged 21 years and below. However, the facility will extend to those above the age of 21 if still in school/college up to 24 years upon producing proof from the school/College.

The following benefit limits will apply under the Promed Scheme:

- In-patient K20, 000.00
- Out-patient K5, 000.00

All bills incurred by the employee as a result of exceeding the limits on the medical scheme will be borne by the employee.

11.0 Staff Education Loans

Any education loan can be obtained through the bank like as per the current practise on all other loans.

12.0 Probation

- a) On commencement of employment, employees shall be placed on probation for an initial period of three (3) months. During this period, the employee's performance will be evaluated and where found unsatisfactory, may be extended for a further period as the manager may deem necessary provided that any extension shall not be beyond 3 months and shall be approved in writing by the company. Upon successful completion of probation, an employee will be confirmed in employment.
- b) An employee on probation will only join the union upon confirmation of employment.

13.0 Redundancy

The parties agreed that this will be effected according to the Employment Code Act 2019.

- a) The company may terminate an employee without fault on the part of the employee where the services of an employee are superfluous or where the employee's position is abolished as a result of among others, restructuring of the Company. Where an employee's contract of service is terminated by reason of redundancy, the employee shall be entitled to at least one month's notice or one month's salary in lieu of notice and redundancy benefits of not less than two month's gross salaries for each completed year of service.
- b) Where the Company secures alternative employment for an employee instead of declaring such employee redundant, the employee shall take up such alternative employment. If the alternative employment is found at a grade equivalent to the former job, any employee to whom an offer of such alternative employment is made who refuses such offer shall have their employment terminated as though the

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Company terminated by giving the standard notice but no redundancy package shall be paid. Standard notice shall have the same meaning as ascribed in the Employee Handbook.

- c) An employee who accepts an offer of an alternative job in a lower grade will be remunerated at their current salary.
- d) Where the alternative employment is in a lower grade, the employee may accept or in the alternative, appeal against the decision to offer him or her a lower graded job within seven days. In the event the employee is not satisfied with the appeal decision, he or she will be declared redundant and shall have his or her redundancy package paid to him or her;

The provisions of this section shall not apply to the following:

- a) Where the company ceases to carry on business by reason of bankruptcy or compulsory liquidation;
- b) An employee engaged on a fixed term and the redundancy coincides with the expiration of that term;

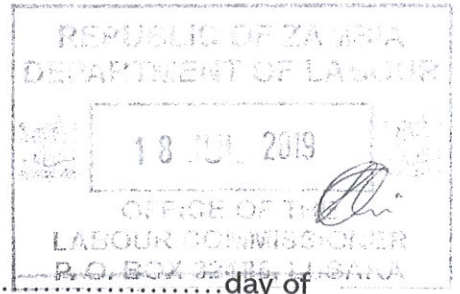
14.0 Retirement

Every employee's Normal Retirement shall be at 60 years of age. However, an employee may retire on attaining the age of 55 years if 12 months before attaining that age, the employee notifies the company of the intention to retire at 55 years or 65 years, if 12 months before attaining 60 years, the employee notifies the company of the intention to retire at 65 years and the company approves such retirement. Retirement age is subject to existing legislation or any statutory provisions obtaining from time to time.

15.0 Retirement on Medical Grounds

Retirement on medical grounds shall be granted where an employee receives satisfactory medical evidence from a registered medical practitioner that the employee is incapable by reason of some infirmity to mind or body of discharging the duties of his/her office and that such an infirmity is likely to be of long duration.





Attestation

IN WITNESS whereof we have hereunder set our hands this.....day of
..... Two Thousand and Nineteen (2019).

**For and on Behalf of
Prudential Life Assurance Zambia
Limited ~~Workers~~**

**Krishnaswamy Rajagopal
Managing Director**

**Raymond Ngoma
Head - Human Resources**

**Matete Sichizya
Head - Risk & Compliance**

**Myra S. Ngoma
Bargaining Unit Secretary**

**For and on Behalf of Zambia Union of
Financial Institutions and Allied *Workers***

**Chingati Msiska
General Secretary**

**Helen Chamyolo
ZUFIAW Union Delegation Leader**

**Patrick Kasonde
ZUFIAW Branch Chairperson**