

Contribution to Retirement Savings - Roles of Employer and Member



Saving for retirement should start early in life, to ensure that every citizen and permanent resident of this Sultanate will be provided with social security/protection as well as to maintain their well-being. One of the avenues to meet this objective is through retirement schemes under the purview of Tabung Amanah Pekerja (TAP). By having mandatory savings for retirement, it will be used to support the daily expenses during retirement.

Planning for post-retirement income is important as it is part of the preparation for forecasting the adequacy of the retirement income. An individual who wishes to improve their standard of living in retirement should start saving earlier and may require a higher amount of savings. Voluntary Contribution (VC) is any contribution that is made in addition to the fixed mandatory contribution rate which will help increase savings for retirement.

EMPLOYEE'S ROLE

Employees play an important role in ensuring they are registered to TAP by their Employer. Employees also need to ensure that their Employer has contributed the correct amount every month in a timely manner as mandated. Every registered member is encouraged to subscribe to TAP's online portal called e-Amanah to view their statements and updated fund balance at their

convenience. Alternatively, members can check their TAP & SCP statements by using the TAP self-service machine (e-Kiosk) or by visiting any TAP counters.

EMPLOYERS' RESPONSIBILITIES IN MAKING CONTRIBUTIONS

The Employer plays an important role in paying contributions as it is their responsibility to register their employees. It is also their duty to pay the Employees' contributions every month. By doing so, these contributions will be credited to the Employee's account and form part of their retirement savings. In the Employee Trust Act, the definition of an Employee who is required to be registered are individuals who work and receive payment for the work done. This includes Employees who are daily paid, monthly paid, contracted, part-time or temporary, relief teachers, and those who are in a probationary period. All Employers who are registered as a new company under the Registry of Companies and Business Names Division (ROCBN) at the Ministry of Finance and Economy will automatically be registered to TAP. At the same time, the Employer will be registered as an e-Amanah portal user to enable them to register their employees and pay contributions online without having to visit TAP counters. Employers who do not comply with registering and contributing payments for their employees to TAP are in violation of the Employee Trust Act. Some non-compliance to TAP made by Employers are as follows:

- Employers do not register the Employees in order to avoid paying contributions to the Retirement scheme.
- Employers do not make monthly contribution payments within the specified period.
- Employers who make contribution payments without submitting details of Employees such as Employee information and the amount contributed for each Employee.
- Employers hire or employ the Employees informally such as having no contract or payslip as proof of payment of salary.
- Employer structuring their payroll system to avoid paying for mandatory contributions by using different terms for salary such as "consolation" (saguhati) to avoid mandatory payment.
- Employers terminating Employee contracts for reporting to authorities of noncontribution payments.
- Employer embezzlement of Employees' contributions which were deducted from their salaries and not submitting the contributions to TAP.

AWARENESS AND WAYS OF ENSURING CONTRIBUTIONS ARE MADE

As one of the continuous efforts to ensure that Employers carry out their responsibilities in registering and paying contributions of their employees, TAP Enforcement Unit is actively

inspecting business premises to ensure that correct information is provided by the Employer to TAP.

Employers are also advised to keep records and details of their employees and to update their information as needed. This record will be viewed by TAP Inspectors during the inspection of the business premises or the Employer's office.

Awareness of the Employer's responsibilities is often conducted through roadshows and briefings with existing and newly registered Employers. In preparing future graduates who will undertake job opportunities, TAP also shares its role in providing retirement benefits and other information that graduates may need to know before starting a career.

FOR MORE INFORMATION AND INQUIRIES

Any inquiries from employers and TAP members can be made through the TAP Call Center at 2382929 or via email at ask@tap.com.bn.

To find out the latest news, the public may visit TAP's website via www.tap.com.bn, Facebook page 'Tabung Amanah Pekerja (TAP)', or Instagram @TAP_Brunei.