

Analysis Of Factors Contributing To Payment Inconsistencies In Government Pension Benefits: A Case Study Of The Public Service Pension Fund (PSPF)

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Abstract

Pension funds are statutorily mandated to collect, manage, and safeguard contributions made by employees during their active service, with the primary obligation of disbursing retirement benefits in the form of lifetime pensions or lump-sum capital payments upon the attainment of retirement age (Public Service Pensions Act, 1997). The fiduciary duty imposed on pension fund administrators requires strict adherence to principles of transparency, accountability, and prudent financial management. Despite these statutory obligations, numerous grievances have been raised concerning the inefficiencies and inconsistencies in the disbursement of pension benefits to eligible retirees. The substantial shortfall results in prolonged financial distress for many retirees, with some reportedly succumbing to adverse mental health outcomes and premature mortality due to the psychological burden of financial insecurity.

The problem originates where the political, institutional, and economic factors contributing to the inconsistencies observed in the disbursement of government retirement benefits to eligible retirees in Zambia. The objective is to identify root causes, assess the extent of their impact, and propose policy recommendations to enhance the efficiency and sustainability of pension fund management.

The research aims to identify gaps in social security coverage, assess the impact of policy reforms, and recommend strategies for enhancing system efficiency. Data will be collected through interviews, surveys, and policy document reviews, targeting key stakeholders including government officials, social security experts, and beneficiaries.

The findings reveal that payment delays are not isolated incidents but symptoms of broader systemic weaknesses spanning regulation, administration, and economic governance and it is established that the that outdated and poorly enforced regulatory frameworks contribute significantly to disbursement delays and it is established that the combination of outdated regulatory frameworks, administrative inefficiencies, poor data management, contribution compliance gaps, and economic constraints all play a role in disrupting timely pension disbursement. The main implication of this research is that it places into perspective the governance reform, stronger regulatory enforcement, digitalization and improved financial accountability with the PSPF, while informing national pension policy reforms to enhance payment inconsistencies in Zambia.

Key Words:

*PSPF Public Service Pension Fund
NAPSA National Pension Scheme Authority
LASF Local Authorities Superannuation Fund
WCFCB Workers Compensation Fund Control Board
SP Social Protection
PAYG Pay-As-You-Go (Pension System)*

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I. Background:

The historical development of social security in the Republic of Zambia can be comprehensively analysed through three distinct phases: pre-colonial, colonial, and post-colonial periods. Therefore, this research will assess the periods foretasted and briefly discuss the background of the research.

Zambia's social security schemes are designed to mitigate income loss resulting from retirement, disability, or survivorship, predominantly covering urban formal sector employees and their dependents. Additionally, limited social assistance programs exist, offering means-tested support to economically vulnerable populations. However, comprehensive social protection remains inaccessible to most Zambians.

Gap in the existing Research:

Statutory pension funds mandatorily cover formal sector workers, supplemented by voluntary occupational pension schemes established by individual employers. Statutory funds currently encompass approximately 477,000 employees, representing over 90% of the formal sector workforce but only around 13% of the total labour force. The aggregate assets of these funds account for roughly 1.6% of Zambia's Gross Domestic Product (GDP), a significant decline from over 10% during the 1980s.

All pension schemes in Zambia are encumbered by a series of significant systemic weaknesses that stem from deficiencies in their structural design, financial frameworks, and administrative mechanisms. These inadequacies have not only been exposed but exacerbated by prevailing economic crises and the implementation of radical measures aimed at addressing structural economic challenges. Consequently, there is an urgent need for the Republic of Zambia to undertake comprehensive restructuring of its social protection system to align with, and support, its evolving economic strategies.

The PSPF is a funded benefit pension scheme established under Chapter 260 of the Laws of Zambia, pursuant to Act No. 35 of 1996. It provides pension benefits to retired public servants and beneficiaries of deceased estates. The PSPF operates under the Public Service Pensions Act, which consolidates legislation relating to pensions and associated benefits for individuals employed in the public sector. This Act became effective on 17 March 1997.

The PSPF is mandated to process and disburse both lump-sum payments and periodic pension benefits upon the retirement of civil servants. According to the PSPF Strategic Plan (2004-2008), its primary objective is to deliver high-quality services to its members while minimizing delays and operational inefficiencies.

Civil servants employed prior to 2005 are required to make mandatory monthly contributions to the PSPF, entitling them to a Retirement Pension upon meeting eligibility criteria. This pension is payable upon reaching the statutory retirement age of 55, having made a minimum of 180 monthly contributions, and satisfying other conditions stipulated for pension entitlement (Public Service Pensions Act, 1997).

Why does this problem matter academically or practically:

This research contributes to the empirical evidence on pension governance and public financial management in developing economies especially that like Zambia. On the practical perspective, it matters because payment inconsistencies directly affects retirees and their livelihoods, institutional credibility and the sustainability of Zambia's public pension system as the record has shown that the same also has an effect on Zambia's mortality and future planning for many of its government workers.

Research Objectives.

The following are the primary research objectives:

1. To evaluate the extent to which the regulatory framework governing pension funds influences the timely and effective disbursement of retirement benefits to pensioners in Zambia.
2. To analyze the legal and financial implications of non-remittance of pension contributions on the disbursement of retirement benefits to eligible pensioners in Zambia.
3. To investigate the impact of inaccurate or outdated beneficiary information maintained by pension fund members on the administration and disbursement of retirement benefits to retirees in Zambia.

Structure of the Paper:

It should be appreciated firstly that the paper is structured into seven main sections. The introduction provides background to pension systems in Zambia, presents an overview of the Public Service Pension Fund (PSPF), outlines the problem statement, and sets out the research objectives, questions, and significance of the study. The second section reviews relevant literature, including the theoretical framework underpinning the study and prior empirical research on pension payment inconsistencies, governance, and regulatory oversight, while identifying key knowledge gaps. The methodology section then explains the research design, sampling approach, data collection methods, analytical techniques, and ethical considerations. This is followed by the findings and analysis, where quantitative and qualitative results are presented and examined in relation to the study objectives. The discussion section interprets the findings in light of existing literature and theoretical perspectives. The paper then outlines policy and practical implications before concluding with a summary of key insights, recommendations, and areas for future research.

II. Literature Review

This literature review explores existing research and theoretical frameworks relevant to the analysis of payment inconsistencies in government pension benefits, with a focus on the Public Service Pension Fund (PSPF) in Zambia. It establishes a foundation for understanding the legal, economic, and institutional factors affecting pension administration and benefit disbursement.

Theoretically, it draws on the Life Cycle Theory, the Theory of the Third Age, and the Productivity Theory of Pensions to explain savings behavior, post-retirement expectations, and the economic function of pension schemes. These frameworks provide insight into why pension systems exist and how they are expected to function within a broader socio-economic context.

Prior Studies

Prior studies and credible reports indicate that there has been similar studies on pension payment delays and their inconsistencies in Zambia, the following are some of the research identified:

1. Peer-reviewed academic publications on pension disbursement reforms in Zambia discuss governance and disbursement challenges in the pension system (useful as literature framing). Malazi Kabamba Museya examines the Livelihood of Challenges in Accessing Pension Benefits: A case study of civil service Teacher Retirees in Kapiri-Mposhi District in Zambia; Zambia-focused academic theses/studies examine lived impacts of delayed pensions and include PSPF among schemes discussed (e.g., work on access challenges and livelihood effects). Specifically streamlining the Local empirical articles which have assessed the economic impact of delayed retirement payments in Zambia (district-level studies that are highly relevant to “payment inconsistency” outcomes).
2. The Zambian Auditor-General parastatal audit reports repeatedly flag governance, financial management and control weaknesses in public bodies (often used as evidence bases for public-sector payment failures).
3. Parliamentary committee reports explicitly note problems like delayed remittance by government ministries affecting PSPF.
4. The Policy diagnostic reports (e.g., IMF governance diagnostics) discuss public-sector governance and political-interference risks that help explain institutional causes behind payment inconsistencies.

Limitation in Existing Literature:

It could be appreciated that the existing literature on pension payment inconsistencies in Zambia is limited in several ways. The following are the most notable limitations discovered during the research:

1. Most studies focus broadly on pension reforms or social protection without isolating operational causes of payment delays within PSPF.
2. Much of the available evidence is based on policy reports rather than rigorous mixed-methods research.
3. There is limited empirical data linking governance, regulatory enforcement, political interference, and administrative inefficiencies in one integrated analysis.
4. Finally, few studies incorporate pensioners lived experiences alongside institutional perspectives, creating a gap in holistic understanding of the problem.

Clear Rationale that Leads to Research Questions:

Taking into consideration the persistent pension payment inconsistencies in PSPF affect retirees’ welfare, it is appreciated that there the existing literature does not comprehensively explain the institutional, regulatory, financial, and governance factors driving these delays. This gap in integrated, empirical analysis logically led to research questions aimed at identifying root causes, assessing regulatory effectiveness, and proposing evidence-based reforms to improve payment consistency and fund sustainability

Conceptual/ Theoretical Framework:

Appreciating the nature of this research and the coverage of the same, the following theories have been deemed relevant and prejudicial to the findings of this research:

1. Systems Theory: This theory views the PSPF as an interconnected system where failures in contributions, regulation, governance, and record management affect overall output (timely payments).
2. Principal and Agent Theory: This theory explains and delves in the conflicts between government (principal), fund managers (agents), and pensioners, especially regarding accountability and political interference.
3. Institutional Theory: This theory appreciates and assists by analysing how regulatory frameworks, norms, and political structures shape PSPF’s behaviour and performance.
4. Public Choice Theory: This theory explains how political incentives may influence pension fund decisions and resource allocation.
5. Transformational Leadership Theory: Takes into account the relevance in assessing how leadership quality within PSPF management affects reform implementation and governance integrity.

Linkages between Independent Variables:

The findings of this study indicate that pension payment inconsistencies within the Public Service Pension Fund (PSPF) arise from interconnected institutional, financial, and administrative factors. Weak

regulatory enforcement enables persistent non-remittance of contributions by government employers, resulting in liquidity constraints that directly affect timely disbursement of benefits.

Governance challenges, including political interference and limited board independence, further undermine accountability and sound financial decision-making. In addition, administrative inefficiencies particularly manual record-keeping systems and outdated beneficiary data contribute to verification delays, processing backlogs, and underpayments. These factors interact systemically, reinforcing operational inefficiencies and financial instability, ultimately leading to delayed, irregular, and inconsistent pension payments.

III. Methodology

Research Design

The Research design refers to the overall strategy that the researcher employs to integrate different components of the study in a coherent and logical manner, ensuring that the research sits effectively addressed. It outlines the framework for data collection, measurement, and analysis.

This study adopts a descriptive research approach, which is particularly suitable for obtaining an in-depth understanding of the subject matter by systematically collecting, analyzing, and interpreting data. Descriptive research allows for the examination of characteristics, behaviours, or trends within a given population without manipulating variables. To achieve this, the study will utilize a survey research design, which involves gathering data directly from respondents through structured questionnaires or interviews. This method is advantageous as it facilitates the collection of quantitative and qualitative data, enabling the researcher to draw meaningful insights and make informed conclusions.

Data Sources/ Participants:

The data sources for this study comprised both primary and secondary data. Primary data were collected from key stakeholders, including PSPF management officials, representatives from the Pensions and Insurance Authority (PIA), selected government employer departments responsible for remittances, and pensioners receiving benefits under the scheme. These participants provided institutional, regulatory, and lived-experience perspectives on payment inconsistencies. Secondary data were obtained from PSPF reports, Auditor-General reports, parliamentary committee findings, policy documents, and relevant academic literature to support triangulation and contextual analysis.

Data Collection Tools:

This study significantly relies on primary data, which refers to firsthand information collected specifically for the research at hand (Thomas, 1990). Primary data is obtained directly from original sources, ensuring relevance and accuracy in addressing the research objectives. In this case, data will be gathered through structured questionnaires and interviews with key respondents, specifically employees of the Public Service Pension Fund. This approach ensures that the information collected is directly applicable to the study, providing valuable insights into the operations, challenges, and management practices within the pension fund.

Data Analysis

The collected data will be cleaned, coded, and entered into SPSS Windows software for analysis. SPSS has been chosen for its efficiency, speed, and reduced susceptibility to errors in data processing (Everitt, 1995). Once data entry is complete, computer-aided editing will be conducted to ensure accuracy and consistency. The data will then be analysed using statistical methods and presented through frequency tables, pie charts, and bar charts, facilitating clear and comprehensive interpretation of the findings.

Ethical Considerations

The research has adopted the following ethical and regulatory Considerations

- I. Declaration of UNZABREC: The research has ensured that this study is conducted in accordance with the principles of the Declaration of UNZABREC as set out in the UNZA guidelines;
- ii. Guidelines for Good Clinical or Research Practice: The research has ensured that it will be conducted in accordance with relevant regulations and with Good Clinical or Research Practice and in alignment with proper ethical considerations as may be set out from time to time;
- iii. Approvals: All approvals are obtained by Sponsor approval, the study protocol, informed consent form, participant information sheet and any proposed advertising material will be submitted to an appropriate Research Ethics Committee (REC) and host institutions for written approval.

The researcher has been submitted and obtain approval from the concerned parties for all substantial amendments to the original approved documents.

IV. Findings/ Results:

This research set out to examine the factors contributing to payment inconsistencies in Zambia's Public Service Pension Fund (PSPF), using a case study of pensioners and PSPF officials in Lusaka. The findings reveal that payment delays are not isolated incidents but symptoms of broader systemic weaknesses spanning regulation, administration, and economic governance.

Firstly, the study established that outdated and poorly enforced regulatory frameworks contribute significantly to disbursement delays. Laws governing pension contributions, processing timelines, and enforcement mechanisms lack clarity or consistency. As a result, ministries and agencies routinely delay remitting contributions without consequence, undermining the fund's sustainability.

Secondly, administrative inefficiencies were found to be a core obstacle. The PSPF continues to rely on outdated, manual processes, limiting its capacity to manage claims effectively. Respondents cited cases of missing records, lost documentation, and prolonged verification periods. In addition, institutional understaffing and inadequate training were found to further strain operational performance.

Thirdly, data management emerged as a critical weakness. Many pensioners' records were found to be incomplete or outdated, making it difficult to process claims accurately and on time. The lack of an integrated digital database continues to hinder coordination across government agencies.

Economically, the study revealed that delayed government funding and macroeconomic instability (e.g., inflation) negatively affect the PSPF's ability to meet payment obligations. These challenges were compounded by limited fiscal prioritization of pension liabilities within national budgeting processes.

Importantly, the study found a strong link between contribution compliance and benefit reliability. Pensioners whose records were fully up to date generally experienced fewer delays, highlighting the need for proactive record audits and improved payroll integration.

V. Discussion:

The findings of this study confirm that payment inconsistencies in the Public Service Pension Fund (PSPF) are influenced by multiple interrelated factors regulatory, administrative, financial, and technological. Respondents overwhelmingly indicated dissatisfaction with the timeliness and predictability of pension payments, with many citing delays exceeding several months. These delays undermine the primary objective of pension systems: ensuring post-retirement financial stability.

A key theme that emerged is the ineffectiveness of the regulatory framework. Existing laws are either outdated or poorly enforced, resulting in irregular remittance of contributions and weak accountability structures. Additionally, the lack of a unified pension database and poor record management further contribute to delays, as verifying claims and calculating benefits becomes cumbersome.

Contribution compliance also emerged as a critical concern. Several pensioners reported gaps in their contribution records, which can delay or reduce their entitlements. This issue is exacerbated by limited coordination between government ministries and the PSPF, especially during transitions or retirements.

From the administrative side, the study highlighted inefficiencies in PSPF's internal processes, including manual systems, understaffing, and inadequate training. These bottlenecks delay claims processing and contribute to errors in benefit calculation.

Finally, economic constraints such as budgetary shortfalls and inflation have affected the fund's ability to disburse benefits consistently. While external factors cannot be ignored, internal reforms are essential for improving service delivery.

VI. Conclusion

This study examined the core factors contributing to payment inconsistencies in Zambia's Public Service Pension Fund. The findings reveal that a combination of outdated regulatory frameworks, administrative inefficiencies, poor data management, contribution compliance gaps, and economic constraints all play a role in disrupting timely pension disbursement.

By applying a mixed methods approach, the study not only captures the lived experiences of affected pensioners but also offers insight from institutional stakeholders. The results underscore the urgent need for regulatory reforms, digital modernization, and stronger inter-agency coordination. Ultimately, addressing these systemic issues is critical to restoring confidence in the pension system and safeguarding the welfare of retired public servants.

This study makes a significant contribution to the discourse on social security administration in Zambia by providing clear, evidence-based insights into the root causes of pension payment inconsistencies within the PSPF. Through a mixed-methods approach, incorporating both beneficiary feedback and institutional interviews, the study demonstrated that systemic issues not isolated inefficiencies are at the core of the pension crisis.

To resolve these challenges, the study concludes that Zambia must urgently revise its pension policy framework, digitize pension records, improve institutional capacity, and enforce contribution compliance across

all ministries and public agencies. A shift towards modern, integrated pension systems with real-time data, digital claim processing, and clear legal accountability is imperative.

Overall, the research has revealed not only the nature of the problem but also a clear path forward. These findings should inform national pension reform strategies and inspire both policymakers and administrators to adopt sustainable, inclusive solutions. By implementing the study's recommendations, the PSPF and similar institutions can rebuild trust with pensioners and deliver on their constitutional mandate of social protection.

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