URBRA

UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

RETIREMENT BENEFITS SECTOR

ANNUAL REPORT

2017

A Publication of the Uganda Retirement Benefits Regulatory Authority (URBRA)
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Inside this report:

VISION, MISSION AND CORE VALUES

Our Vision is to have a vibrant, secure and sustainable Retirement Benefits System

Our Mission is to regulate, supervise and promote the development of a stable and effective Retirement Benefits Sector

Our Values are Professionalism, Integrity, Innovativeness and Transparency

Our Goal

Safeguard the vital interests of members and their beneficiaries

Strategic Actions

- Improve Regulation and Supervision
- Improve Understanding and Promote Development of the Sector
- Strengthen Institutional Capacity and Development

Safety | Adequacy | Sustainability | Stability

OUR MANDATE, OUR FOCUS...

Our Mandate

i) Regulate and supervise the establishment, management and operation of Retirement Benefits Schemes.

ii) Protect the interests of scheme members and beneficiaries.

iii) Improve understanding and promote development of the Retirement Benefits Sector.

iv) Advise the Minister of Finance, Planning and Economic Development on all matters relating to the development and operation of the Retirement Benefits Sector.

v) Implement Government policy relating to the Retirement Benefits Sector.

Our Focus in 2017

- Ensuring that schemes are designed to be sustainable, fair and deliver the best possible outcomes for members.
- Effective governance and monitoring of schemes through their full lifecycle.
- Efficiency in administration and investment.
- Improving investment governance.
- Enhancing reporting and disclosure.
- Building capacity of Trustees and Service Providers.
- Increasing coverage.
- Increasing public education and awareness.

OUR SUPERVISORY APPROACH

Rationale	Encourage regulated entities to operate in a manner that will protect members	Understand their own risks Effectively manage their risks
	Identify risks that regulated entities will not meet obligations to members	Financial soundness Market conduct
	Focus supervisory attention on the most significant risks	High risk entities High risk activities
	Intervene to require remediation of supervisory concerns	Timely and effective Make the regulated entities responsible for solving their problems
Tools	Encourage regulated entities to operate in a manner that will protect members	Financial requirements Operational requirements Market conduct requirements
	Identify risks that regulated entities will not meet obligations to members	Knowledge of business Offsite analysis Onsite inspection Market analysis
	Focus supervisory attention on the most significant risks	Varying supervisory intensity Risk assessment reports
	Intervene to require remediation of supervisory concerns	Intervention powers Intervention policy Supervisory decision-making Follow-up and enforcement

LIST OF ACRONYMS

AUM	Assets Under Management
BOU	Bank of Uganda
CMA	Capital Markets Authority
FY	Financial Year
IRA	Insurance Regulatory Authority
KACITA	Kampala City Traders Association
MOFPED	Ministry of Finance, Planning and Economic Development
NSSF	National Social Security Fund
PPS	Parliamentary Pension Scheme
PSPS	Public Service Pension Scheme
RBS	Retirement Benefits Scheme
SAGE	Social Assistance Grant for Empowerment
SPF	Staff Provident Fund
UBOS	Uganda Bureau of Statistics
UGX	Uganda Shillings
URBRA	Uganda Retirement Benefits Regulatory Authority
SVS	Supplementary Voluntary Schemes

GLOSSARY

Act of Parliament	Legislation that is passed by Parliament intended to create a new law or to amend an existing law.
Active member	An individual who is making contributions.
Administration	The operation and oversight of a retirement benefits scheme.
Administrator	A company or individual ultimately responsible for the operation and oversight of retirement benefits scheme.
Annuity	A form of financial contract mostly sold by life insurance companies that guarantees a fixed or variable payment income benefit for a specified period.
Asset Management	The act of investing scheme assets following an investment strategy.
Beneficiary	An individual who is entitled to a benefit.
Benefits	Payment made to a member or beneficiaries upon qualification.
Contribution	A payment made to a scheme by a member or employer.
Contribution Rate	The amount (typically expressed as a percentage of the contribution base) that is needed to be paid into a scheme.
Corporate Trustee	Entity authorized by law to act in a fiduciary capacity for members.
Custodian	The entity responsible for holding scheme assets and for ensuring their safe keeping.
Deferred Member	A member that no longer contributes to or accrues benefits from the scheme but has not yet begun to receive retirement benefits from that scheme.
Defined Contribution Scheme	A scheme in which the employer, employee or both make contributions.
Deferred Retirement Benefit	A benefits arrangement in which a portion of an employee's income is paid out at a date after which the income is actually earned.
Deposit Administration Plan	An arrangement in which the sponsor/employer deposits an asset (such as cash) in an insurance company account. Upon the retirement of the plan's beneficiary, the insurance company withdraws the funds from the account as a lump sum payment to the beneficiary. Under this arrangement the insurance company guarantees a certain percentage of interest to members on an annual basis.
Diversified Holdings	These are investments in firms that have multiple, unrelated businesses, produce different products or provide different services.
Fiduciary	Any person responsible for the control, administration or management of a scheme. (Trustees and all other service providers are fiduciaries).
Formal Sector	Sector which encompasses all jobs with formal contracts, specified normal working hours and regular wages/salaries, and are recognized as income sources on which income taxes must be paid.
Funding	The act of accumulating assets in order to finance a retirement benefits plan.

Gross Rate of Return	The rate of return of an asset or portfolio over a specified period, prior to discounting any fees or expenses.
Indexation	Adjustment taking into account changes in the cost of living (for example prices and/or earnings).
Informal Sector	Informal sector consists of a large number of small units established, owned and operated by self-employed persons, either alone or in partnership with others, for the primary purpose of generating their own employment and income through the production or distribution of goods or the provision of services.
Lump sum	This is a mode of payment where a person is paid all his savings at once.
Mandatory Scheme	Means a scheme established under Act of Parliament which requires all eligible employers and employees to register and make contributions.
Market Value	The price an asset would fetch in the market place.
Member	An individual who is either active or passive (retired, and hence receiving benefits), or deferred (holding deferred benefits) participant in a retirement benefits scheme.
Micro-pension Scheme	A voluntary, defined contribution, individual account plan for the informal sector (or low income earners).
Net Contributions	Total contributions less benefits.
Net Rate of Return	The rate of return of an asset or portfolio over a specified period, after discounting any fees or expenses.
Pension	Regular payment made to a member (beneficiary) after retirement and until death.
Provident Fund	A fund into which the employer, employee or both make contributions, so that when the employee retires, he or she receives his or her benefits as a Lump sum payment.
Rate of Return	The income earned by holding an asset over a specified period.
Scheme	An arrangement designed to replace employment income upon retirement. These arrangements may be set up by employers, insurance companies, trade unions, the government, or other institutions.
Social Pension	Cash-transfer based programs providing non-contributory old age provision for underprivileged citizens.
Trust Deed	A legal document executed between the sponsor and the trustees for purposes of setting up a scheme.
Trustee	A person or company acting for the benefit of members, with fiduciary and legal responsibilities, and is responsible for managing assets of beneficiaries.
Umbrella Retirement Benefits Scheme	A scheme which collects contributions of employees of a single employer or a group of employers, individuals, members of an association or a professional body.

"We are vigilant in implementing our supervisory framework, and reassure the public that their savings are under well-managed schemes."

CHAIRMAN'S STATEMENT

Andrew Derek Kasirye
Chairman, Board of Directors

During 2017, we undertook a review of the Authority's operations since 2012, when URBRA was formally established under the leadership of the current Board. As the first Board established under the URBRA Act 2011, we built the foundation for effective discharge of the Authority's functions.

At the beginning of our tenure, there were no licensed schemes and service providers in the sector. To date, the sector is comprised of 2 Mandatory, 8 Umbrella (with 104 participating employers) and 53 segregated schemes. In line with section 33 of the URBRA Act, 2011, we licensed 9 Administrators, 7 Fund Managers, 5 Custodians, 4 Corporate Trustees and 415 Individual Trustees to ensure segregation of duties with the goal of mitigating operational and governance risks.

I have no doubt that our professionalism and strategic approach has built confidence in the Regulator, and has resulted into a number of positive attributes. Sector coverage is now at 14% compared to the 6% in 2014. Assets increased to UGX 10.04 Trillion (10% of GDP) in 2017 compared to UGX 5.2 Trillion (7.2% of GDP) in 2014.

As I reflect over the Board's stewardship over the critically important Retirement Benefits Sector, I am satisfied that we have been able to achieve significant milestones in such a short period of time. Further scrutiny of the effectiveness of the Authority's measures to promote good governance and administration indicated that the major structures for supervision were appropriate and satisfactory. We have successfully clarified our role and functions, created appropriate structures to discharge our responsibilities, provided guidance, disseminated information on the URBRA Act, and enforced compliance with its provisions. We are also vigilant in implementing our supervisory framework. I therefore reiterate URBRA's oversight responsibility over all retirement benefits schemes and service providers, and I reassure the public that their savings are under well-managed schemes.

Let me take this opportunity to congratulate Ms. Jane A. Pacuto who was elected to the 10th Parliament after serving on our Board for four years. The Board recognizes her contribution in advancing the Authority's mandate and increasing its visibility. The Board also deeply appreciates and applauds, Mr. David Nyakundi Bonyi, the former Chief Executive Officer for his role in establishing the firm foundation upon which URBRA stands today.

I thank URBRA's management team led by Mr. Martin Nsubuga, the Acting Chief Executive Officer for maintaining URBRA's clear and effective footprint in the delivery of this essential service to the public.

Finally, I wish to acknowledge the support of the Ministry of Finance, Planning and Economic Development for their continuous financial support to URBRA.

Andrew Derek Kasirye
Chairman, Board of Directors

"While we continue to see growth, we remain cautious as some investments saw positive returns but at the same time lost value on original capital."

CHIEF EXECUTIVE OFFICER'S STATEMENT

Martin Anthony Nsubuga
Ag. Chief Executive Officer

On behalf of the Uganda Retirement Benefits Regulatory Authority, I am pleased to present the Annual Retirement Benefits Sector Report for 2017. I must state that we have been able to strengthen our supervisory framework, including stronger monitoring of conduct and performance of sector players.

By the end of December 2017, total sector assets amounted to UGX 10.04 trillion. The compound asset growth rate for the last four years was 15.46% mainly influenced by contributions, investment earnings from government bonds, deposits, and listed equity. This was a commendable performance given the declining interest rate environment and depressed equity market conditions witnessed in 2017.

While we continue to see growth, we remain cautious as some investments saw positive returns but at the same time lost value on original capital. The value of assets over the long run especially when irregularities and market volatility occur may create uncertainty and lead to losses. This raises questions that impact on governance, and risk management aspects of scheme funds.

During the year, the Authority undertook a review of its priorities. As a result of this review, supervisory approaches were enhanced and new risk based supervision tools were developed. We regard these changes in operational focus as being of critical importance for effective assessment of schemes' financial standing, asset quality, structure of income, expenses and compliance with regulatory requirements.

To avoid the risk of poor stewardship, we issued targeted information and guidance to the various parts of our regulated community, spanning all areas of the business. Our assessment of the effectiveness of scheme governance reached the conclusion that there is considerable room for improvement. We have on this premise introduced a Training Programme aimed at improving standards of scheme governance and administration, and compliance with the URBRA Act, established Regulations and Guidelines.

We are grateful to our Board of Directors, Mr. David Nyakundi Bonyi (the former Chief Executive Officer), and staff of the Authority for being pivotal to the accomplishments made in the period under review.

Let me also take this opportunity to congratulate Mr. Andrew D. Kasirye, our Board Chairman for being awarded the special rank of Senior Counsel by the Honorable Chief Justice, Bart Mabunda Katureebe. I am pleased he was recognized, raising our profile within the Retirement Benefits Sector.

Finally, I would like to acknowledge the excellent cooperation we have received from Trustees and Service Providers as we work towards achieving our shared goal of ensuring that the rights of scheme members are adequately safeguarded.

Martin Anthony Nsubuga
Ag. Chief Executive Officer

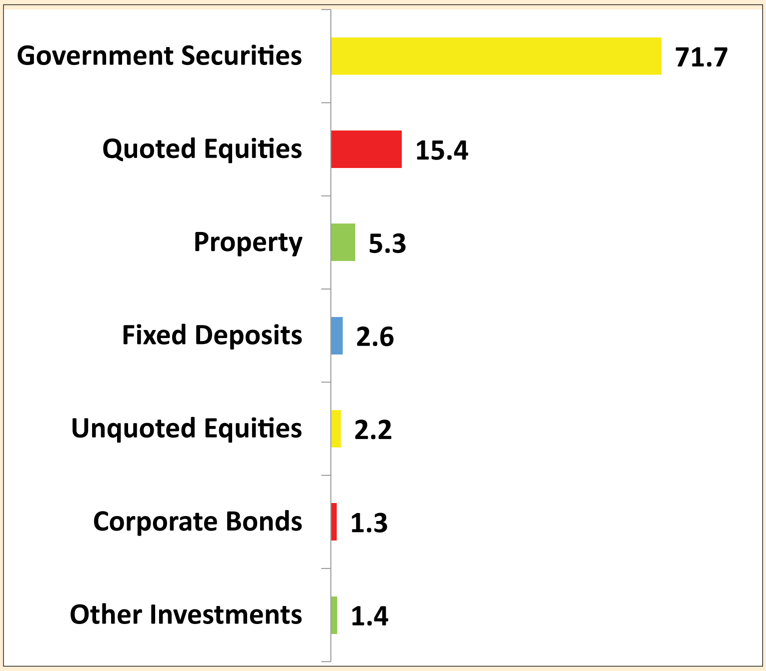
2017 HIGHLIGHTS

Sector Indicators with Regional Comparisons			
Indicator/Item	**Uganda**	**Kenya**	**Tanzania**
Total Assets	UGX 10.04 Trillion (Dec. 2017)	UGX 37.80 Trillion (Dec. 2017)	UGX 20.00 Trillion (Dec. 2017)
Sector Asset to GDP Ratio	10%	14%	11%
Coverage Ratio (Workers covered/ Total Labor force)	14%	20%	10%
Schemes Arrangements as at December, 2017			
No. of Mandatory Schemes	2	1	7
No. of Occupational Schemes	61	1302	7
No. of Informal Sector Schemes	2	1	5

Licensed Schemes and Service Providers		
Year	**2014**	**2017**
Schemes		
National Mandatory Schemes*	1	1
Mandatory Employer-based Schemes	1	1
Segregated Supplementary Voluntary Occupational Schemes	47	53
Umbrella Schemes	6	8 (104 participating employers)
Supplementary Voluntary Individual Schemes	-	2
Total Number of Schemes	**55**	**65**
Service Providers		
Administrators	11	9
Fund Managers	7	7
Custodians	5	5
Corporate Trustees	4	4
Individual Trustees	322	415

*The NSSF also operates a Voluntary Membership Plan which targets employers and workers that are not compelled to save by the mandatory provisions of the NSSF Act. They are given an opportunity to voluntarily save for their retirement.

Total Investments as at December, 2017: UGX 9.9 Trillion
Share (%) by Asset Class



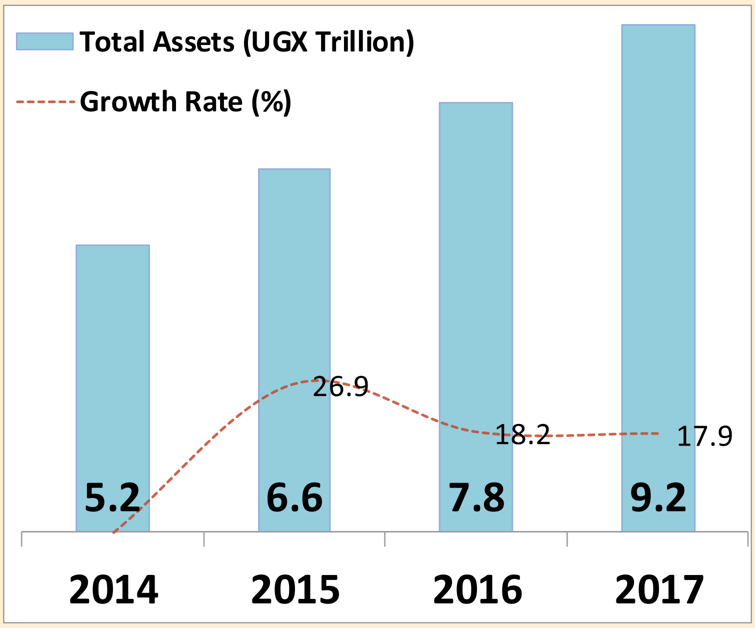
Retirement Benefit Sector Investment Portfolio as at December, 2017

Investments	Voluntary	PPS	NSSF	Sector
Total Investments (UGX Trillion)	**1.3**	**0.17**	**8.4**	**9.9**
Share	**%**	**%**	**%**	**%**
Government Securities	63.7	62.0	73.3	71.7
Quoted Equities	27.7	20.8	13.4	15.4
Investment Property	1.4	0.0	6.1	5.3
Fixed Deposits	5.5	5.8	2.1	2.6
Unquoted Equity	0.1	0.0	2.5	2.2
Corporate Bonds	0.6	0.4	1.3	1.3
Others Investments *	1	11	1.3	1.5

* Other investments include collective investment schemes, unit trusts, guaranteed funds, etc

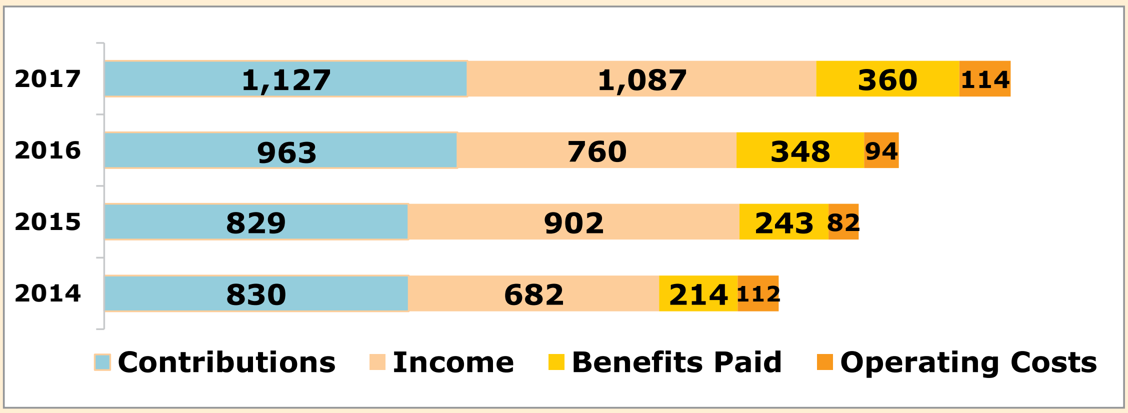
* Sector investments as at 31st December, 2017 based Statutory Returns.

Sector Assets: 2014-2017



Year	2014	2015	2016	2017
Asset to GDP Ratio	7.2	8.1	9	10
Coverage Ratio	6	11	11	14

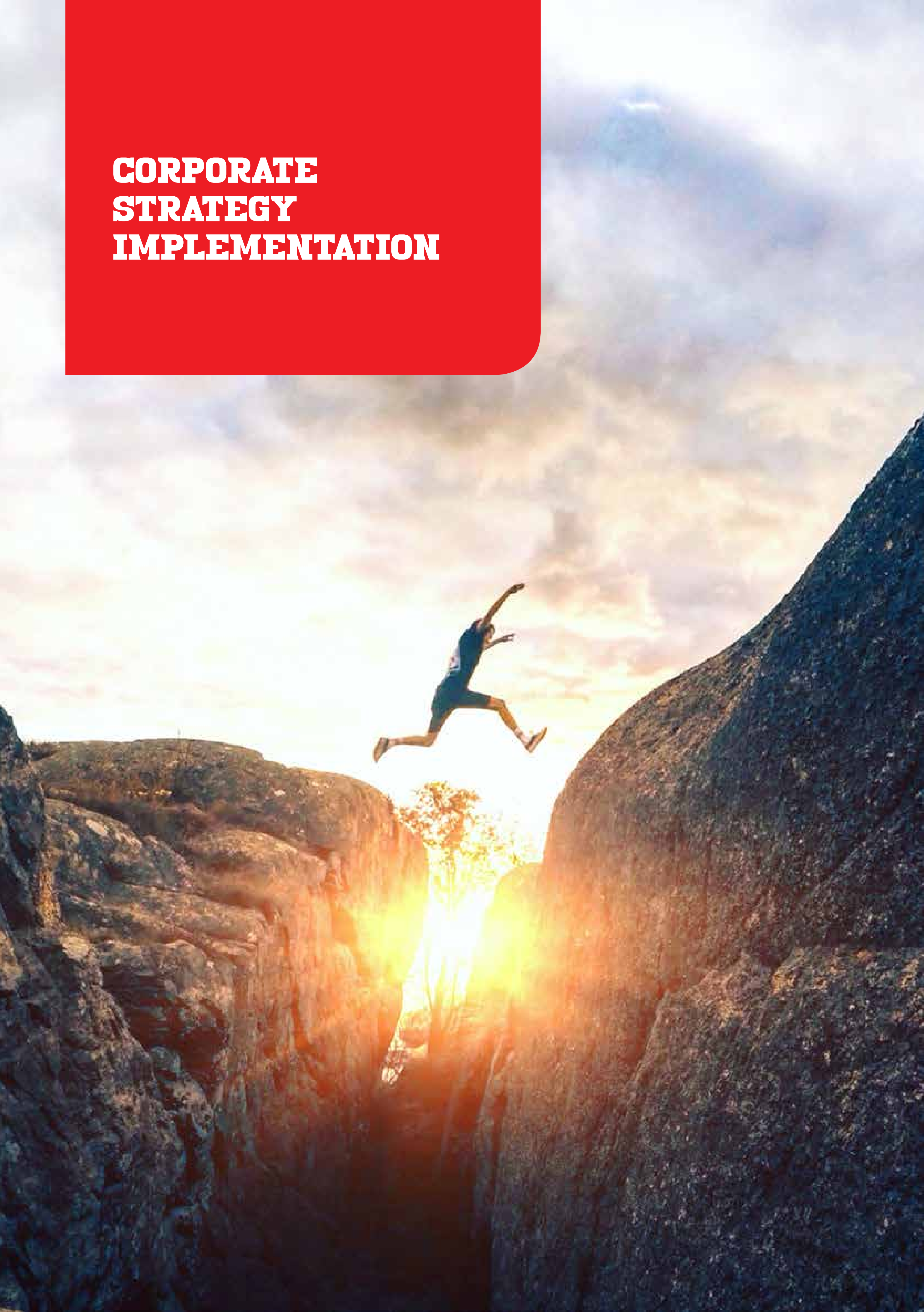
Sector Operational Indicators (UGX Billion)



Operational Ratios (%)	2014	2015	2016	2017
Cost - Income	15	13	10	13
Benefits-Contributions	26	30	36	32
Cost-Contributions	13.4	10	10	10
Cost - Asset	2.1	1.3	1.2	1.2
Return on Investments	16	18.2	11.6	14

* Assets and operational indicators based on Audited Financial Statements for two reporting periods (30th June, 2017 & 31st December, 2017).

CORPORATE STRATEGY IMPLEMENTATION



1. CORPORATE STRATEGY IMPLEMENTATION

1.1 Progress in the implementation of the Strategic Plan

The previous period (2016) ended with success in building of institutional capabilities as per the Strategic Plan 2015-2020. Delivery of our Strategy is measured by:

- Effective administration that provides a good service at reasonable cost and prevents fraud and abuse.
- Security of benefits in the face of risks and uncertainties, such as inflation and individual longevity.
- Coverage of the Retirement Benefits Sector system, by both mandatory and voluntary (occupational and non-employer Individual) schemes.
- Adequacy of retirement benefits.
- Financial sustainability and affordability in the short and long term.
- Delivering the right incentives: encouraging people to contribute and save through retirement benefit arrangements.

Table 1.1: Strategic Goals and Objectives

	Goals	Objectives
1.	Improve Regulation and Supervision of the Sector	1.1 Enhance the regulatory framework
		1.2 Strengthen supervision of the sector
2.	Improve Understanding and Promote Development of the Sector	2.1 Enhance knowledge and awareness of the sector
		2.2 Expand coverage of the sector
		2.3 Undertake sector wide research
3.	Strengthen Institutional Capacity and Development	3.1 Enhance the human resource capacity to deliver quality services
		3.2 Attain financial sustainability
		3.3 Enhance the Board and management's capacity to deliver on their mandate
		3.4 Develop and implement robust and efficient management systems

In the Year 2017, the Authority strengthened its Regulatory and Supervisory Framework including stronger monitoring of market conduct and performance of sector players, and enhanced public awareness of both the ways and benefits of saving for retirement as elaborated below:

GOAL 1: IMPROVE REGULATION AND SUPERVISION OF THE SECTOR

1.1 Enhance the Regulatory Framework

i) Regulations and Guidelines

Active preparative work was carried out to enhance regulation. The Authority;

- Drafted Regulations on Operation and Management of Schemes, Winding-up, Merger or Transfer of Retirement Benefits and Assignment of Benefits for Mortgages, Housing Loans and Medical Treatment.
- Incorporated proposals in respect to provisions for regulating operations of Corporate Trustees in the Draft Regulations on Management and Operation of Retirement Benefit Schemes.

- Prepared an Assessment Report on harmonisation of Investment Regulations in the East African Community.
- Incorporated provisions on vesting rights of members and exemption of application and licence fees payable by voluntary schemes as per the Amended Licensing of Schemes Regulations which were gazetted in July 2017.
- Revised sanctions for failure to submit financial statements and payment of compulsory levies within the prescribed time.
- Developed Guidelines on Preparation of Scheme Annual Reports, Engagement of External Auditors, Whistle Blowing, and Fit and Proper Testing.

ii) Cooperation with Sector Supervisors:

Maintained and expanded cooperation and active communication with Financial Sector Regulators, East African Pension Supervisors' Association (EAPSA), International Organisation of Pension Supervisors (IOPS) and other organizations. The cooperation has enhanced exchange of information, building-up of working groups, discussions and coordination of proposals for amendments in the existing legal framework…etc.

1.2 Strengthen Supervision of the Sector

i) Governance and Administration

Examined appropriateness and sustainability of internal control systems and management of material risks of schemes. On this premise, special inspections were conducted on Mazima Individual Retirement Benefits Scheme, National Social Security Fund and Stanlib Umbrella Scheme. The Authority employed its powers and ensured that corrective measures were effected.

ii) Full Roll-out of Risk–based Supervision Framework

The Authority introduced a new approach where analysis of performance was extended beyond profitability to governance measurements. On the basis of the performance, the Authority;

- undertook assessment of schemes' financial position, asset quality, structure of income, expenses and compliance with regulatory requirements.

- undertook risk assessments of every market participant and implemented the necessary supervisory measures to strengthen internal control systems, governance and administration.
- strengthened supervisory procedures aimed at elimination of weaknesses and deficiencies in the area of financial reporting and disclosure.

iii) Market Conduct

Increased focus on market conduct with emphasis on;

- strict standards for costs whereby all costs and charges borne by members are transparent and communicated clearly to enable value for money comparisons, including impact on returns;
- monitoring investment policy statements with clear objectives for each investment option.

GOAL 2: IMPROVE UNDERSTANDING AND PROMOTE DEVELOPMENT OF THE SECTOR

2.1 Enhance Knowledge and Awareness of the Sector

i) Public awareness and education

- Introduced an open and proactive approach to providing information to the general public about the Authority's functions, and the rationale for saving for retirement using both traditional (Newspapers, Television and Radio) and social media (Facebook, Twitter, Instagram).
- The Authority also employed outdoor billboards in major locations including Mityana, Wakiso, Kampala, Hoima, and Mbarara to advance its awareness campaign. The key message focused on encouraging the public to save for retirement in order to avoid old age poverty.
- Conducted a Pre-retirement Seminar and Sensitization Workshops at higher institutions of learning.

ii) Built capacity for Trustees and Service Providers

- Trained Trustees and Service Providers to improve governance and administration of schemes.
- Introduced a Trustee Training Programme aimed at enhancing standards of scheme governance and administration.

2.2 Expand Coverage of the Retirement Benefits Sector

The Authority commissioned two studies to support evidence-based policy and law making in the Retirement Benefits Sector:

i) Study on Extension of Pension Coverage to Informal Sector Workers in Uganda. The feasibility study drew from stakeholder feedback and experiences of KACITA Provident Fund, Mazima Voluntary Individual Retirement Benefits Scheme (MVIRBS) and International experiences to assess options for creating an environment suitable for micro-pensions.

The study established that if micro-pensions are to be successful, they must have efficient administration and distribution channels. To facilitate accessibility and ease of use, financial product designs would have to be adjusted to the specific needs of different user groups. The Study culminated into the development of proposals for a scalable and sustainable strategy for extending voluntary retirement benefits coverage.

ii) **Survey on Attitudes, Knowledge and Preferences of Saving for Retirement in Uganda.** The survey examined current saving forms and investment preferences, objectives of saving and factors that would influence the decision to save for retirement. Survey results indicated that Ugandans are not saving enough due to numerous demands on their income. Owning a home, houses for rent and land were cited as the most common avenues for saving.

Saving through retirement plans was generally considered as being a low priority due to lack of appropriate products and knowledge, and only became more relevant for respondents who were over 59 years old.

Key policy recommendations from the studies included the following:

- For low income earners, an effective retirement saving device must consider cash flow needs, irregular and seasonal income flows, competing expenditure priorities, and alternative investment options. Absence of a regulatory framework for micro pensions undermines provision of a comprehensive solution to the financial security needs of the poor in addition to management and administration challenges.
- Government support will be important in addressing the hurdles observed in the cases studied including developing a regulatory framework for micro pensions, product development and design, business development and mobilization (meeting initial start-up, marketing and operational costs), and ensuring financial competitiveness, viability and sustainability.

GOAL 3: STRENGTHENING INSTITUTIONAL CAPACITY AND DEVELOPMENT

3.1 Enhance Human Resource Capacity to Deliver Quality Services

- Embarked on automation of collection, storage and provision of information on supervised entities' activities to facilitate quality analyses.
- Developed and currently implementing the Authority's Risk Management and Control Framework.
- Acquired Finance and Administration ICT systems to enhance efficiency in the Authority's internal operations.

Taking Reforms Forward

While the Authority's supervisory activities have enhanced corporate governance, risk management and compliance monitoring, further reforms are needed to address current sector challenges. Emphasis has been directed to:

- improving coverage especially of informal sector workers;
- increasing adequacy of retirement benefits to combat old-age poverty;
- preservation of pre-retirement income through transfers and portability from one scheme to another;
- preservation of post-retirement income through phased pay-outs on retirement including programmed withdrawals, income drawdown and annuities;
- improving people's awareness and planning in order to encourage individual retirement savings and provisions for longevity risk.

RETIREMENT BENEFITS SECTOR OUTLOOK

2. RETIREMENT BENEFITS SECTOR OUTLOOK

2.1 Economic Environment

In 2017, the economy expanded by about 4%, and was mainly driven by improved performance of the agricultural services sector. Gross Domestic Product (GDP) per capita increased to 701 USD during the year. The Annual Average Headline Inflation for the calendar year 2017 was recorded at 5.6 % compared to 5.5 % recorded during the calendar year ended 2016. There was relative stability in the economy and the ratio of the total Retirement Benefits Sector Assets to the GDP increased from 9% in 2016 to 10% in 2017.

Table 2.1: Economic Indicators

Year	2014	2015	2016	2017
Gross Domestic Savings (% of GDP)	16.84	17.653	15.46	20.482
GDP at Market Prices (Ushs Trillions)	58.9	80	84	91
GDP Growth Rate (Real Growth) (%)	4.7	5	4.8	4
Inflation Rate(Headline) (%)	5.5	5.5	5.5	5.6
The Ushs/US$ Exchange Rate (Annual)	2,612	3,241	3,421	3,612

2.2 Demography

Life expectancy is increasing and fertility remains high in Uganda. According to the population Census of 2014, more than 65% of Uganda's population was under the age of 25. By 2050, the ageing work force in Uganda will comprise of, for the most part, the self-employed and laborers in the informal sector, to whom retirement benefits and old age security provisions are unavailable.

Table 2.2: Demographic Characteristics

Total population	34,634,650
Labor force	17,232,200
Labor force employed	15,612,373
Distribution of Population by Age Group	
0-14	16,573,400 (47.9%)
15-64	17,232,200 (49.2%)
65+	935,135 (2.7%)
Age dependency ratio	103%
Life expectancy at birth	63.3 years
Life expectancy at retirement	17 Years
Fertility rate	5.8

Source: UBOS (Census, 2014)

2.3 Retirement Benefit Arrangements

The Retirement Benefits system in Uganda includes the Social Assistance Grant for Empowerment, National Mandatory Scheme (National Social Security Fund), Mandatory Employer-based Pension Schemes, Supplementary Voluntary Occupational Schemes and Supplementary Voluntary Individual Schemes.Table 2.3 shows the current Retirement Benefit Arrangements in Uganda.

Table 2.3: Retirement Benefit Arrangements in Uganda

Tier 1: Social Assistance Grant for Empowerment	The Grant is advanced to the most vulnerable beneficiaries aged 65 and above as a pilot program. The beneficiaries receive a monthly stipend of 25,000 shillings. It is financed by the Government and Development Partners.
Tier 2: National Mandatory Scheme (National Social Security Fund)	This is a compulsory defined contributory scheme for all eligible employers and employees. The employer and the employee (member) are required to contribute 10% and 5% respectively, of the member's gross earnings to the Fund.
Tier 3: Mandatory Employer-based Pension Schemes	These are mandatory occupational schemes established under written laws. They include: **Public Service Pension Scheme:** This is a pay as you go defined benefit scheme run by the Ministry of Public Service. The Scheme is financed directly from Government tax revenues. **Armed Forces Pension Scheme:** This is a pay as you go defined benefit scheme covering the armed forces. The pension/gratuity process is coordinated by the chieftaincy of pension and gratuity, housed in the Ministry of Defense before submission of claims to the Ministry of Public Service for payment. It is fully financed by Government tax revenues. **Parliamentary Pension Scheme:** This is a defined contribution scheme with an underpin guarantee from Government, established under Statute to cover members of Parliament and Parliament employees.
Tier 4: Supplementary Voluntary Occupational Schemes	These are voluntary work-based schemes established by employers under irrevocable trusts for the benefit of employees. Most of them are contributory. They operate as either stand-alone schemes or are subscribed to an umbrella scheme.
Tier 5: Supplementary Voluntary Individual Schemes	These are voluntary non-employer schemes established to cover workers in the informal sector or self-employed persons who on a voluntary basis, elect to participate.

2.4 Industry Coverage

Currently, only about 14% of Uganda's working population is under some form of retirement benefit arrangement. The population in Uganda is young but the number of older persons is gradually increasing. While the 2014 Population Census indicated that the percentage of adults who were 65 and older represented only 2.7% of the population, projections suggest that by 2050, this age group will grow to 5% of Uganda's projected population (101,872,980). Thus, in 2050 there will be more than 5.2 million people aged 65 and older, four times the 950,000 living in Uganda in 2014.

Table 2.4: Industry Coverage Statistics

Retirement Benefit Arrangements	Total Number of Members
Tier 1: Social Assistance Grant for Empowerment	
Senior Citizens Grants as at March 2018	190,466
Tier 2: National Mandatory Schemes	
National Social Security Fund as at Dec, 2017	Registered members: 1,788,876 (Including 6,148 voluntary members) Active members: 574, 628 (Activity rate 32.1%)
Tier 3: Mandatory Employer-based Pension Schemes	
Public Service Pension Scheme as at Oct,2017	383,536
Armed Forces Pension Scheme	-
Parliamentary Pension Scheme as at Jun,2017	904
Tier 4: Supplementary Voluntary Occupational Schemes	
Voluntary Segregated Occupational Schemes as at Dec, 2017	32,031
Umbrella Schemes as at Dec, 2017	7,295
Tier 5: Supplementary Voluntary Individual Schemes	
Supplementary Voluntary Individual Schemes as at Dec, 2017	1,128

Uganda is confronted with a challenge of providing an adequate income for millions of individuals who will retire in the coming decades. Contributory arrangements, aimed at postponing consumption (when a person is still able to work), are not fully capable of generating enough savings for old age since 80% of the labour force works in the informal sector.

Essentially, there are two ways to increase coverage: granting pensions to those reaching retirement age, or making workers (including non-salaried workers) currently in the labour market save for their future (i.e contribute to a retirement benefit scheme).

2.5 Contribution Rates

The average monthly contribution rate for mandatory schemes stood at 20% and 10% from employers and employees respectively. On the other hand, average monthly contribution rates for supplementary voluntary occupational schemes were 7.8% and 4.4% from employers and employees respectively.

The contribution rate for supplementary voluntary individual schemes stood at a minimum of UGX 2,000. Considering that earnings determine total contributions, Ugandans with a low density and frequency of contribution are not saving enough. They will therefore have low accumulated assets at retirement age, and are therefore likely to have low retirement incomes.

2.6 Sector Investments

Total investment portfolio as at the end of 2017 increased by 23% to UGX 9.9 trillion from UGX 8.04 trillion in 2016. While there were a number of maturities and repayments made during the year, there were also significant subscriptions which created new mandate for fund managers and also reinvestment of income throughout the year.

Portfolio growth was mainly driven by participant contributions, investment returns, operating expenses and the management which affected the amount of savings directly or indirectly collected in the system.

Table 2.5: Retirement Benefit Sector Investment Portfolio

	December, 2016				December, 2017			
Investments	**NSSF**	**PPS**	**Voluntary**	**Sector**	**NSSF**	**PPS**	**Voluntary**	**Sector**
Total UGX (Trillion)	**6.89**	**0.1**	**1.05**	**8.04**	**8.4**	**0.17**	**1.3**	**9.9**
Share	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Government Securities	72.7	61.8	63.1	**71.3**	73.3	62.0	63.7	**71.7**
Quoted Equities	12.6	21.5	26.4	**14.5**	13.4	20.8	27.7	**15.4**
Investment Property	6.7	0.0	1.6	**5.9**	6.1	0.0	1.4	**5.3**
Fixed Deposits	3.6	15.9	6.8	**4.2**	2.1	5.8	5.5	**2.6**
Unquoted Equities	2.6	0.0	0.1	**2.2**	2.5	0.0	0.1	**2.2**
Corporate Bonds	1.3	0.5	1.1	**1.3**	1.3	0.4	0.6	**1.3**
Other Investments*	0.5	0.3	0.9	**0.6**	1.3	11.0	1.0	**1.5**

* Other investments include collective investment schemes, unit trusts, guaranteed funds, etc

i) Schemes held sizable fixed income positions, mainly composed of government securities. As of December 2017, government security holdings comprised the dominant share of the Sector's investment portfolio: 71.7%, mainly meeting public financing needs. This investment mandate is made with an overriding consideration for principles of capital preservation and the importance of a guaranteed income stream.

ii) Quoted Equities accounted for 15.4% under a depressed equity market environment. Trading volumes were low since scheme purchases reduce the amount of free floating issues in the market. Considering that the growth of assets has outpaced the supply of equities, schemes may find it difficult to achieve optimal asset diversification.

iii) Many schemes do not make allocations to unquoted equity which undermines the opportunity to gain exposure to compelling sectors that are not represented in listed markets. The main impediments include size of assets held, liquidity concerns, risk profile and limited familiarity with the asset class amongst Trustees and Fund Managers. A decision to invest will require enhanced reporting and transparency by firms. This demands the provision of digestible and coherent data reports. In effect, there is a need to develop supply and demand, market standards for security and profitability, and build capacity to oversee transactions.

2.7 Investment Performance and Fees Charged by Fund Managers

During the period under review, we examined the relationship between investment performance, and fees based on assets under management, and performance based fees[1]. The average fees charged for schemes with assets under management below UGX 25 billion were 0.413%, between UGX 25-99 billion 0.463%, and above 99 billion 0.25%.

First, we observe that large schemes were able to realize more profitable mandates with their fund managers, possibly as a result of better negotiation power due to their large scale in terms of assets and higher level of expertise. In addition, large schemes are more interesting for fund managers to have as clients, e.g. because of reputational reasons.

Second, schemes that paid a charge based on both assets under management and performance fees held assets below UGX 15 billion each, with the average fees payable at 0.35% and 16% respectively. The average return on investment for these schemes was 14.07%. The returns of schemes that pay performance fees to asset managers were not significantly higher or lower than the returns of schemes that do not pay performance fees. Investment mandates thus appear more focused on absolute returns than on outperforming some benchmark.

The combined results show that scheme size in terms of assets and investment mandate are more important for net returns than paying performance fees. The impact of size and specialization is notably true for alternative asset classes. We find no statistical evidence that paying performance fees adds value.

2.8 Risks in the Retirement Benefits Sector

The nature of Retirement Benefit Schemes exposes them to different aspects of risk. Key amongst these risks is default risk from employers and employees, stock market risk, operational risks, liquidity risks etc.

The Authority, for now employs investment limits to ensure minimum portfolio diversification, dilute ownership concentration limits, and to avoid self-investment in a scheme's sponsoring company.

Investment limits in assets regarded more volatile, like equity, are tighter. This is premised on the fact that underdevelopment and lack of transparency of domestic securities markets make them susceptible to manipulation and excess volatility. Trustees ought to have appropriate investment governance arrangements to ensure that the risks are properly managed. Scheme assets must be properly diversified (classes, geography, asset managers, sector risks and underlying securities) to provide greater stability of investment returns and reduce risk.

2.9 Current Initiatives

The Authority licensed Mazima Voluntary Individual Retirement Benefits Scheme (MVIRBS) and Kampala City Traders Association (KACITA) Provident Fund to pilot extension of coverage to self-employed workers. Membership to MVIRBS is open to anybody with emphasis on low income earners. On the other hand, enrolment into Kampala City Traders Association (KACITA) Provident Fund is restricted to members of the Association.

The NSSF also introduced a Voluntary Membership Plan which currently has 6,148 subscribers. The Plan targets employers and workers that are not compelled to save by mandatory provisions of the NSSF Act, granting them an opportunity to voluntarily save for their retirement.

These voluntary arrangements have the following features:

- Low density and frequency of contributions.
- High costs (set-up, management, administration and marketing)
- Subscribers can use mobile money platforms (Airtel and MTN) and banks (deposits and transfers) to remit their contributions.

[1]A performance-based fee is a payment made to an Fund Manager for generating positive returns. This is as opposed to a management fee, which is charged without regard to returns. A performance-based fee can be calculated many ways. Most common is as a percentage of investment profits, often both realized and unrealized.

Lessons learnt from these arrangements show that governance and administration, marketing and membership recruitment, investment as well as processing of claims and benefits payments ought to be streamlined.

A Government backed arrangement will be critical in facilitating development of a regulations for micro pensions, product development and design, business development and mobilization, and ensuring financial competitiveness, viability and sustainability.

Key considerations in establishing viable micro pensions arrangements in Uganda include:

- Enrollment of all informal workers through identity registration with a reliable, centralized and regularly updated database to cover the entire population.
- Product design & trust: Micro pension provisions should be developed according to the socio-economic situation of client groups.
- Careful selling: both to attract customers and to ensure that customers are aware of what they are buying.
- Financial literacy among low income earners.

PERFORMANCE OF MANDATORY SCHEMES

3. PERFORMANCE OF MANDATORY SCHEMES

3.1 National Social Security Fund

3.1.2 Contributions and Payments of Retirement Benefits

In FY 2016/17, total contributions (including special contributions) increased by 17% to UGX 922 billion from UGX 790 billion in FY 2015/16. Contributions from employers and employees accounted for 66% and 33% respectively, while special contributions accounted for the remaining 1%. This increase in contributions was attributed to improved compliance, new employer and employee registrations and annual employee salary increments.

Total benefits paid to the members and beneficiaries stood at UGX 278 billion in FY 2016/17, which was an increase of 16% over UGX 239 billion paid in 2015/16. Increase in the total amount of benefits paid was mainly due to members' attainment of the retirement age (55 years), early retirement (50 years), joining of pensionable employment and permanent relocation to another country. Table 3.1 provides a breakdown of benefits paid.

Table 3.1: Benefits Paid

Year	2015	2016	2017
Amount (UGX '000)	**186,609,416**	**238,797,166**	**278,254,718**
Share	**%**	**%**	**%**
Age Benefits	36	34	30
Withdraw Benefits	30	29	29
Exempted Employee Benefits	8	13	14
Invalidity Benefits	7	6	7
Survivors Benefits	3	3	3
Emigration Grant Benefits	16	16	18

As shown above, benefits paid to members who reached the retirement age accounted for the largest share (30%) of benefits paid, followed by withdraw benefits (29%) on account of early retirement. Accordingly, net contributions increased by 16.6% to UGX 644 billion compared to UGX 552 billion recorded in the previous year.

The major deficiencies of the Fund concern adequacy of income replacement that is not possible under the Fund, and absence of a pension benefit. A worker who pays NSSF contributions obtains a lump-sum. Considering the low density and frequency of contributions, benefits cannot adequately replace income in the future.

The low notional retirement age of 50-55 years will gradually become unsupportable when life expectancy continues to rise (currently 63 years). Some members can expect to spend more years in retirement than they spent in active employment. Improvements to the Fund are possible and feasible. The Authority recommends:

i) Compliance monitoring and enforcement to ensure that employers and employees meet their obligations

ii) Efficiency in operations to minimize costs.

iii) Prudent investment of scheme funds

iv) Prudent and effective risk management.

v) Replacement of the current lump-sum benefit with a pension benefit.

*Performance of Mandatory Schemes is based on Audited Financial Statements as at 30th June, 2017.

3.1.3 Operational Expenditure

Total operational expenditure of the Fund increased to UGX 96 Billion in FY 2016/17, registering a 20% increment when compared to UGX 80 Billion in FY 2015/16. During the period under review, staff expenses accounted for 53%, Infrastructure and facilities accounted for 21%, Brokerage, Professional and legal fees accounted for 10%, advertisement accounted for 6%, non-cash expenses accounted for 6%, and statutory levies accounted for 4%. The cost to income ratio was 13.1% during the year compared to 13.2% in FY 2015/16. Going forward, cost efficiency should be a key feature of the Fund.

3.1.4 Assets

The total value of the Fund reached UGX 7.9 trillion by end of FY 2016/2017 recording a 21% growth over UGX 6.5 trillion by end of FY 2015/16. The increase was supported by the growth in contributions and investment earnings.

3.1.5 Investments

The total investment portfolio of the Fund grew by 20% from UGX 6.4 trillion in FY 2015/16 to UGX 7.7 trillion in FY 2016/17. The growth in the investment portfolio was mainly driven by investment earnings and member contributions. The share of investment in Government securities decreased from 69.7% in FY 2015/16 to 68.9% at end FY 2016/17. The share of investments in equity also decreased to 12.7% in FY 2016/17 from 15.3% in FY 2015/16. While 5.1% of the total investments was placed in corporate debt securities and the balance 13.2% was invested in real estate, associates, fixed deposits as well as loans and advances. See table 3.2.

Table 3.2: Investment Pattern of NSSF (as at June)

INVESTMENTS	2014	2015	2016	2017
Total Investments (UGX '000)	4,354,171,468	5,469,541,867	6,461,061,286	7,766,029,599
Share	%	%	%	%
Government Securities	60.9	67.7	69.7	68.9
Equities	7.5	15.1	15.3	12.7
Fixed Deposits	15.7	4.6	4.2	2.9
Real Estate	10.2	8.1	7.0	6.6
Corporate Bonds	3.3	2.5	2.1	5.1
Other Investments	2.5	2.0	1.7	3.7

At the end of FY 2016/17, government securities accounted for 68.9%, equities 12.7%, Real estate 6.6%, Corporate bonds 5.1%, fixed deposits 2.9% and other investments 2.7%. The yield rates on government securities ranged from 10.81% to 21.22% with maturity periods between 1 to 15 years. The interest rates for corporate bonds ranged from 10.97% to 14.7% with maturity periods ranging from 1 to 8 years.Longer term maturity periods are a good trading vehicle for the Fund as they facilitate collection of income and minimize volatility.

The value of equity portfolio, which consists of both listed and unlisted equities was UGX 988 billion in FY 2016/17 compared to UGX 986 billion in FY 2015/16. The portofolio was diversified in different sectors including banking, finance & insurance, energy and manufacturing sectors, telecommunications and diversified holdings.

Fixed deposits decreased by 18.2% from UGX 274 billion in FY 2015/16 to UGX 224 billion in 2016/17. Cash balances increased by 102% to UGX 56 billion in FY 2016/17 compared to UGX 27 billion FY 2015/16.

The value of investment properties increased by 35% from UG 139 billion in FY 2015/16 to UGX 188 billion in FY 2016/17. This increment was mainly due to UGX 29.8 billion additions to Nsimbe land and UGX19 billion in revaluation gains.

The value of Capital Works in progress increased by 3% from UGX 314 billion in FY 2015/16 to UGX 323 billion in FY 2016/17 on account of additions to capital works worth UGX 10 billion.

3.1.6 Income of the Fund

Total income of the Fund amounted to UGX 915 billion in FY 2016/17, recording an increase of 36% compared to UGX 673 billion in the previous year. The rate of return on the Fund's investment portfolio was 13%, enabling a rate of return of 11.23% to its members. This was on account of investment earnings, operational income and fair value gains from equity investments. Interest was the major source of income (85.4% of the total income) to the Fund. Dividend income increased by 36% from UGX 38 billion in FY 2015/16 to UGX 52 billion in FY 2016/17 as a result of an increase in net profits from firms where the Fund holds a stake. Table 3.3 provides details on income of the Fund.

Table 3.3: Income of the Fund

Year	2016	2017
Amount (UGX Billion)	**673**	**915**
Share	%	%
Interest Income	97.8	85.4
Rental Income	1.6	1.3
Dividend Income	5.6	5.7
Other Income	0.4	1.6
Associates	1.5	1.9
Fair Value Gains/(Losses)	(6.8)	4.0

3.1.7 Tax Expenditure

The Fund paid UGX 130 billion in FY 2016/17, as withholding tax compared to UGX 102 billion in FY 2015/16.

3.1.8 Member Account Balances and Interest Paid

In FY 2016/17, a sum of UGX 677 billion was allocated to members as interest, enhancing the member balances by 14% compared to UGX 593 billion in FY 2015/16. The Fund was able to declare an interest rate of 11.23% on the closing balance of members for the year ending 30th June 2017, compared to 12.3% in the previous year.

3.1.9 Risk Management

Overview: NSSF is an important entity in the financial sector in Uganda. It manages long-term retirement savings of the private and semi-Government sector employees. The Fund's Investment Policy Statement (IPS) defines the overall risks that it is willing to tolerate, together with specific risk limits and the basis of allocation of funds for investment. The Fund is faced with governance, operational, credit and liquidity risks.

Governance Risk: Good governance is key to the smooth functioning of the Fund. Good governance is necessary to reassure members' that their savings will be safe. The Authority therefore recommends objective evaluation of governance and transparency practices. It must also ensure prudence in all management and investment decisions

Operational Risk: Members' accounts are maintained in a system that records all transactions centrally, while facilitating greater integration of the processes in the NSSF system. This has led to significant improvement in the keeping of member records, benefit payments and information sharing.

On the other hand, the employer activity rate was 56% in 2017 compared to 64% in 2016.The number of non-contributing employer accounts increased to 12,247 by the end of December, 2017, compared to 8,950 recorded by end of December,2016. The Fund must enhance enforcement to increase registration and payment of arrears.

Credit Risk: The credit risk of the Fund is minimal as 68.9 % of the investments are in the Government securities which by default are risk-free investments. Accordingly, apart from high concentration in Government securities, the credit risk of the Fund could be considered as low.

Liquidity Risk: Benefits paid accounted for 30% of total contributions (with an average monthly collection of UGX 76.8 billion). In this context, monthly member contributions are generally sufficient to meet refund and other payments of the Fund. Further, the Fund maintains sufficient amounts in varying maturities for this purpose and the assets are maintained in highly liquid marketable securities in order to meet any contingencies. Accordingly, the liquidity risk of the NSSF is considered as very low.

3.2 Parliamentary Pension Scheme (PPS): Performance as at June, 2017

3.2.1 Contributions and Payment of Retirement Benefits

Member contributions increased by 11.6% to UGX 35.4 billion from UGX 31.7 billion in 2016. Contributions from the employers accounted for 67% and Employees 33%. The total amount paid as benefits to the members in 2017 was UGX 2 billion compared to UGX 38 billion in 2016. Benefits paid in 2016 were mainly on account of lump-sum payments to members that did not return to Parliament, following the 2016 general elections. On the other hand, 2017 was dominated by pension payments.

Table 3.4: Benefits Paid

Year	2015	2016	2017
Amount (UGX Billion)	**1.3**	**38.5**	**2.1**
Share	**%**	**%**	**%**
Lumpsum	50.8	96.2	14.6
Pensions	46.1	2.0	85.0
Deaths	3.1	1.8	0.3

3.2.2 Investment and other Income

The gross income for the year 2017 was UGX 23.7 billion, recording an increase of 60% compared to UGX 14.8 billion in 2016.The return on investment was 17%. Government bonds, deposits, and listed equity had the most influence over the changes in the value of the scheme.The highest contributor to income was interest payments which represented 65.8% of the total income. Dividends, grant revenue and other income represented 34.2%. Table 3.5 provides details on income of scheme.

Table 3.5: Income of PPS

Year	2016	2017
Amount (UGX Billion)	**14.8**	**23.7**
Share	**%**	**%**
Interest Income	94.6	65.8
Dividend Income	6.8	6.3
Other Income	9.5	11.4
Fair Value Gains/(Loses)	(10.8)	16.5

3.2.3 Operational Expenditure

Total operational expenditure increased by 18.5% to UGX 3.2 billion in 2017 from UGX 2.7 billion in 2016 mainly due to increase in personnel expenditure and consultancy services. During the period under review, cost-inccome ratio remained at 19% as was the case in the previous year. On the other hand, the scheme's cost-asset ration reduced from 2.5% in 2016 to 2.1% in 2017. The Scheme needs to be more cost effective to avoid sub-optimal member outcomes.

3.2.4 Assets and Investments

Assets of PPS reached UGX 155 billion in FY 2016/17, recording a 44% increase when compared to UGX 107 billion in FY 2015/16 and its return on investment was 17%. Total investments amounted to UGX 152 billion in 2017, recording an increase of 56%. The increase mainly came from contributions and investment earnings during 2017 as shown in Table 3.6.

Table 3.6 : Investment Portfolio

Year	2015	2016	2017
Investments (UGX Billion)	**98.6**	**97.4**	**152.2**
Share	**%**	**%**	**%**
Government Bonds & Treasury Bonds	51.5	64.5	62.2
Quoted Equities	26.0	28.6	19.0
Corporate Bonds	1.5	1.1	0.4
Fixed Deposits	20.9	5.8	18.3

3.3 Public Service Pension Scheme

Civil servants in Uganda are covered by a non-contributory Public Service Pension Scheme. The scheme is financed directly from the government budget and civil servants can retire at the early age of 45, where vesting periods are after 10 years of service. The benefit accrual rate is 2.4% per year. The reference wage for pension calculations (last salary and benefits) are indexed to wages.

Employment in the civil service is composed of persons employed in the traditional civil service, teaching service (primary and secondary), police, prisons, and staff in local governments. October 2017 estimates indicated that there are 311,033 active civil servants and 72,503 pensioners.

Systemic reforms in the Public Service Pension Scheme are ongoing. Implementation of Electronic Document Management System (EDMS) Module of the Integrated Personnel and Payroll System (IPPS), full decentralization of Pension and Gratuity Management, and conclusion of the Pensioners' Census and Biometric Validation Exercise are expected to streamline verification, processing, payment and reporting on pension, gratuity and arrears.

The key principles which underpin the reform are governance and accountability. While this is a step in the right direction, a shift from unfunded defined benefit scheme to a defined contribution scheme will require capacity building in the Ministry of Public Service, and time to finance the transition.

PERFORMANCE OF SUPPLEMENTARY VOLUNTARY SCHEMES

4. PERFORMANCE OF SUPPLEMENTARY VOLUNTARY SCHEMES

4.1 Contributions

Total contributions made to Supplementary Voluntary Schemes increased by 18% from UGX 142 billion in 2016 to UGX 168 billion in 2017. During the period under review, 65% (UGX 110 billion) and 31% (UGX 52 billion) respectively were on the account of employers and employees respectively. Additional contributions accounted for 4% (UGX 6 billion).

4.2 Operational Expenditure

Total operational costs of Supplementary Voluntary Schemes increased by 19.6% to UGX 14 billion compared to the UGX 11.7 billion in 2016. For the period under review, the operational costs incurred were on the account of 49% service provider costs, 10% governance costs, 13% non-cash expenses (which include depreciations and provisions) and 28% other operational expenses which include fees and levies, annual general meetings, staff expenses, consultancy fees, among other costs. The cost-income ratio was 12% while the cost-asset ratio was 1.28% in 2017 compared to 10.3% and 1.22% in 2016 respectively. With improved governance, schemes are expected to become cost efficient.

The operational and expense ratios of segregated schemes were 12% and 1.28% respectively, while Umbrella Schemes' operational and expense ratios were 14.14% and 1.27% respectively. Umbrella schemes are expected to gradually become more cost efficient, broaden access to additional asset classes, and enhance risk management practices. Trustees must therefore monitor operations of umbrella schemes to understand and distinguish services delivered for a charge, and permit comparison of prices. In addition, provisions made for expenses and for guarantees need to be recognized in specific provisions.

4.3 Benefits

Total benefits paid amounted to UGX 80 billion, recording a 13% increase compared to the UGX 71 billion in 2016. Of the benefits paid, 87.95% were lump sum payments (made before or at retirement), 8.97% pensions, leaving the 1.33% to death benefits and 0.04% on account of disability.

4.4 Assets of Supplementary Voluntary Schemes

As at December, 2017, assets of Supplementary Voluntary Schemes came to UGX 1.1 trillion, up by 7%, accounting for 12% relative to total assets of the sector. The changes in the value of net assets reflect changes in net contributions[2], increase in value of assets and investment returns as shown in Table 4.1.

Table 4.1: Distribution of Assets by Retirement Benefits Sector Arrangements

Year	2016	2017
Total Assets (UGX Million)	**1,074,656**	**1,151,939**
Share	**%**	**%**
Supplementary Segregated Voluntary Individual occupational schemes	94.23	92.85
Umbrella schemes	5.77	7.10
Non-employer voluntary informal sector schemes*	-	0.05

*Non employer voluntary informal sector schemes will commence submission of audited financial statements in the 2018 reporting period.

-Performance of Supplementary Voluntary Schemes is based on Audited Financial Statements for two reporting periods (i.e 30th June, 2017 and 31st December, 2017).

[2] Net contributions are total contributions minus the front-load fee.

Segregated schemes held 94.23% of the asset portfolio while umbrella schemes accounted for 5.77%, in 2016. In the period under review, this has changed to 92.85% and 7.10% respectively. The market remained highly concentrated with UGX 706 billion (51%) of assets held by only five supplementary segregated voluntary occupational schemes.

i) Structure of Supplementary Voluntary Scheme Assets

As at December, 2017, the structure of investment of Supplementary Voluntary Scheme assets remained broadly unchanged. Government bonds accounted for the major part of Supplementary Voluntary Scheme assets 67%, quoted equity 20.9%, real estate 4.5%, fixed deposits 3.7%, corporate bonds and papers 0.8%, unquoted equity 0.012%, and other investments 2.987%.

Table 4.2 provides a summary of Voluntary Schemes' Investment Portfolio.

Table 4.2: Investment Portfolio

Year	2016			2017			
	Segregated	Umbrella	Total	Segregated	Umbrella	Individual	Total
Investments (UGX Million)	**861,989**	**60,981**	**922,970**	**1,043,164**	**77,702**	**472**	**1,121,338**
Share	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Government Securities	63.457	46.192	**62.317**	67.913	55.856	62.819	**67.076**
Corporate Bonds & Papers	1.400	0.133	**1.317**	0.893	0.081	0.000	**0.836**
Fixed Deposits	3.538	9.021	**3.900**	3.507	6.115	37.181	**3.702**
Real Estate	6.613	11.145	**6.912**	4.115	9.775	0.000	**4.506**
Quoted Equity	23.636	10.436	**22.764**	21.424	13.627	0.000	**20.875**
Unquoted Equity	0.020	0.000	**0.019**	0.013	0.000	0.000	**0.012**
Other Investments	1.336	23.073	**2.771**	2.135	14.546	0.000	**2.987**

* Other investments include collective investment schemes, unit trusts, guaranteed funds, etc

Schemes were mainly exposed to fixed income securities and quoted equity. The construction of portfolios in the available asset classes did not vary widely across schemes, leading to no pronounced differences in investment performance.

ii) Investment Income

In 2017, schemes earned UGX 147 billion with 81% (UGX 119 billion) on account of interest income, 8% (UGX 12 billion) as dividends and 1.2% (UGX 1.7 billion) as rental income. There was a market value gain of UGX 9 billion and a capital loss of UGX 229 million.

The earnings of supplementary voluntary schemes were determined primarily by the allocation of investments across the available asset classes; total returns generated from investments available within each asset class; and costs of deploying assets through each investment.

iii) Return on investment

In 2017, the return on investments of supplementary voluntary schemes was 14.9% compared to 9% in the past year. Given that the structure of voluntary schemes is dominated by fixed income instruments, the return was mainly influenced by interest payment.

4.5 Liabilities

Voluntary occupational schemes' liabilities amounted to UGX 36 billion. Tax obligations accounted for 56% (UGX 20.5 billion), benefits payable 31% (UGX 11.5 billion), accrued expenses 7% (UGX 2.7 billion) and other payables 5% (UGX 1.8 billion).

APPENDICES

5. APPENDICIES

APPENDIX I: ASSETS PER SCHEME

	Retirement Benefits Schemes	2015	2016	2017	% Change (Y-o-Y)
		Assets ('000,000)			
No.	**National Mandatory Schemes**				
1.	National Social Security Fund*	5,569,863	6,585,798	7,924,264	20.3
No.	**Mandatory Employer-based Schemes**				
1.	Parliamentary Pension Scheme*	102,157	107,321	155,298	44.7
No.	**Supplementary Segregated Voluntary Occupational Schemes**				
1.	Bank of Uganda Staff Retirement Benefits Scheme*	301,140	328,473	367,924	12.0
2.	Uganda Revenue Authority Staff Retirement Benefits Scheme*	74,371	84,344	101,042	19.8
3.	Makerere University Retirement Benefits Scheme*	70,143	79,339	105,675	33.2
4.	Centenary Bank Staff Defined Contribution Scheme	52,709	61,340	76,526	24.8
5.	Stanbic Bank Uganda Staff Pension Fund	42,381	46,228	55,638	20.4
6.	NARO Retirement Benefits Scheme*	25,719	30,337	34,832	14.8
7.	Standard Chartered Bank Uganda Pension Trust Fund	31,386	29,756	34,536	16.1
8.	Barclays Bank of Uganda Limited Staff Pension Fund	30,422	28,901	34,065	17.9
9.	MTN Uganda Contributory Provident Fund	24,805	27,685	29,920	8.1
10.	National Social Security Fund Staff Provident Fund*	19,977	23,162	28,517	23.1
11.	Nile Breweries Staff Provident Fund*	12,351	14,499	16,035	10.6
12.	Uganda Breweries Limited Retirement Benefit Scheme*	11,964	13,535	17,195	27.0
13.	Tullow Uganda Limited Staff Retirement Benefits Scheme	11,123	13,446	12,998	(3.3)
14.	Kinyara Sugar Works Limited Staff Provident Fund	10,863	12,102	14,047	16.1
15.	DFCU Limited Staff Provident Fund	9,184	11,277	14,016	24
16.	Housing Finance Bank Retirement Benefits Scheme		8,212	9,671	17.8
17.	WATOTO Ministries Provident Fund	5,870	7,171	9,009	25.6

Retirement Benefits Schemes		2015	2016	2017	% Change (Y-o-Y)
		Assets ('000,000)			
18.	Uganda Communications Commission Staff Provident Fund*	6,544	6,998	9,566	36.7
19.	Bank of Africa Staff Provident Fund	5,210	6,414	8,282	29.1
20.	The Crown Beverages Staff Retirement Benefits Scheme	6,965	5,333	6,317	18.5
21.	Bank of Uganda Defined Contributory Scheme*	2,958	5,195	9,405	81.0
22.	VIVO Energy Uganda Limited Staff Provident Fund	3,766	5,189	7,146	38.0
23.	Orient Bank Staff Defined Contribution Scheme	3,377	4,283	5,317	24.1
24.	Uganda Clays Staff Provident Fund		3,785	4,809	27.1
25.	Equity Bank (U) Staff Provident Fund Scheme	3,170	3,712	4,462	20.2
26.	UAP Staff Retirement Benefits Scheme		3,616	4,948	36.8
27.	Makerere University Business School Staff Retirement Benefits Scheme*	2,910	3,272	3,678	12.4
28.	PostBank Uganda Provident Fund	1,831	3,227	4,437	37.5
29.	Pride Microfinance Retirement Benefits Scheme	1,800	2,968	3,968	33.7
30.	Minet Uganda Ltd Staff Retirement Benefits Scheme	2,412	2,725	3,031	11
31.	Pace Staff Retirement Benefits Scheme***	2,411	2,662	-	-
32.	Uganda Electricity Generation Company Limited Staff Retirement Benefits Scheme*		2,340	3,726	59.2

Retirement Benefits Schemes		2015	2016	2017	% Change (Y-o-Y)
		Assets ('000,000)			
33.	UMEME Ltd Staff Retirement Benefits Scheme		2,336	6,089	160.7
34.	British American Tobacco Uganda Ltd Staff Pension Scheme**	2,747	2,256	-	-
35.	Royal Danish Embassy Local Staff Retirement Benefit Scheme	1,368	1,735	1,816	4.7
36.	Monitor Publications Staff Provident Fund	1,325	1,611	2,077	30.0
37.	AIRTEL Uganda Staff Provident Fund Scheme*		1,124	2,516	123.8
38.	AAR Health Services Uganda Limited Staff Retirement Benefit Scheme.	971	1,064	1,120	5.3
39.	Heifer International Uganda Staff Retirement Benefit Scheme	605	852	-	-
40.	KILIMO Trust Staff Provident Fund	534	785	988	25.9
41.	State Wide Insurance Company Limited Staff Retirement Benefit Scheme	729	764	945	23.7
42.	International Union For Conservation of Nature (U) Staff Provident Fund		259	409	57.9
43.	PCP staff provident Fund**	144	158	-	-
44.	AIG Uganda Staff Provident Fund	1,618	1,721	1,535	(11)
45.	ECO Bank Staff Provident Fund**	2,402	-	-	-
46.	Toyota Uganda Limited Staff Retirement Benefit Scheme	949	1,157	1,319	14
47.	Century Bottling Company Ltd Provident Fund			7,378	-
48.	Delta Petroleum (U) Ltd Staff Retirement Benefits Scheme	-	-	-	-
49.	National Housing and Construction Company Ltd Staff Provident Fund	953	902	1,100	22
50.	Opportunity Bank Staff Retirement Benefits Scheme****	-	-	-	-
51.	Uganda Coffee Development Authority Staff Retirement Benefits Scheme*			1,492	-
52.	Uganda Communications Employees Contributory Pension Scheme****	-	-	-	-
53.	UNEB Staff Retirement Benefits Scheme****	-	-	-	-
54.	Uganda Retirement Benefits Regulatory Authority (New scheme)				
	Total	**894,264**	**1,012,689**	**1,069,522**	**5.6**

Retirement Benefits Schemes		2015	2016	2017	% Change (Y-o-Y)
		Assets ('000,000)			
No.	Umbrella Schemes				
1.	Alexander Forbes Retirement Fund	22,080	27,641	28,304	2.4
2.	Liaison Personal Retirement Plan Scheme		8,231	10,458	27.1
3.	JUBILEE Life Umbrella Retirement Scheme	6,587	8,200	9,139	11.5
4.	Stanlib Uganda Umbrella Fund	3,142	6,151	11,468	86.4
5.	UAP Umbrella Retirement Benefits Scheme	2,645	5,874	14,546	147.6
6.	ICEA Umbrella Retirement Scheme	3,318	5,870	7,974	35.8
7.	Octagon Uganda Umbrella Retirement Benefits Scheme (New scheme)				
8.	Umoja Umbrella Retirement Benefits Scheme			3	-
	Total	**37,772**	**61,967**	**81,892**	**32.2**

No.	Supplementary Voluntary Individual Schemes				
1.	KACITA-Uganda Provident Fund (New scheme)				
2.	MAZIMA Voluntary Individual Retirement Benefit Scheme*			525	-
	Total			**525**	**-**

*Schemes assets as at 30th June, 2017. Other scheme assets as at 31st December, 2017

**Joined Umbrella Scheme

***Wound-up

****Did not submit Audited Financial Statements

APPENDIX II: ASSETS MANAGED PER FUND MANAGER

Fund Manager	Assets Under Management ('000,000)			
	Dec, 16		Dec,17	
Total	**1,156,594**	**%**	1,461,944	%
Sanlam Investments East Africa	508,520	44	666,525	46
Gen-Africa Asset Managers	209,767	18	318,357	22
Stanlib Uganda Limited	178,956	15	221,498	15
African Alliance Uganda Limited	203,915	18	185,961	13
ICEA Asset Management Company Limited	30,781	3	36,461	2
UAP Financial Services Limited	24,655	2	33,142	2

Share (%) of Asset Allocation Per Fund Manager							
Fund Manager	**Sanlam Investments East Africa**	**Gen-Africa Asset Managers**	**Stanlib Uganda Limited**	**African Alliance Uganda Limited**	**ICEA Asset Management Company Limited**	**UAP Financial Services Limited**	**Total**
AUM in Million	666,525	318,357	221,498	185,961	36,461	33,142	1,461,944
Government Securities	63.1	68.4	61.4	60.1	69.6	51.5	63.53
Quoted Equities	32.2	26.1	24.7	18.8	8.5	10.5	26.94
Fixed Deposits	1.8	4.7	11.8	6.1	20.6	24.8	5.47
Investment Property	1.3	-	1.1	3.3	-	-	1.15
Corporate Bonds	1.3	0.1	-	0.4	-	3.6	0.74
Private Equities	0.2	-	-	-	-	-	0.10
Other Investments	0.2	0.7	1.1	11.3	1.3	9.5	2.07

APPENDIX III: CONTRIBUTION RATES PER SCHEME

No.	Retirement Benefits Sector Assets	Employer	Employee	Total
	National Mandatory Schemes		%	
1.	National Social Security Fund	10	5	15
No.	**Mandatory Employer-based Schemes**			
1.	Parliamentary Pension Scheme	30	15	45
No.	Supplementary Voluntary Occupational Schemes			
1.	Bank of Uganda Staff Retirement Benefits Scheme	17.1	4	21.1
2.	Uganda Revenue Authority Staff Retirement Benefits Scheme	6	6	12
3.	Makerere University Retirement Benefits Scheme	10	5	15
4.	Centenary Bank Staff Defined Contribution Scheme	8	3	11
5.	Stanbic Bank Uganda Staff Pension Fund	7.5	2.5	10
6.	NARO Retirement Benefits Scheme	10	5	15
7.	Standard Chartered Bank Uganda Pension Trust Fund	8	4	12
8.	Barclays Bank of Uganda Limited Staff Pension Fund	3.5	-	3.5
9.	MTN Uganda Contributory Provident Fund	6% for members with over 5 year's employment. others 5%	5	Av.10.5
10.	National Social Security Fund Staff Provident Fund	10	5	15
11.	Nile Breweries Staff Provident Fund	Based on grades; 6.25,6.67 or 10.42	5	Av.12.78
12.	Uganda Breweries Limited Retirement Benefit Scheme	10	5	15
13.	Tullow Uganda Limited Staff Retirement Benefits Scheme	10	5	15
14.	Kinyara Sugar Works Limited Staff Provident Fund	10	5	15
15.	DFCU Limited Staff Provident Fund	7.5	7.5	15
16.	Housing Finance Bank Retirement Benefits Scheme	10	5	15
17.	WATOTO Ministries Provident Fund	5	5	10
18.	Uganda Communications Commission Staff Provident Fund	10	5	15
19.	Bank of Africa Staff Provident Fund	7.5	5	12.5

No.	Retirement Benefits Sector Assets	Employer	Employee	Total
20.	The Crown Beverages Staff Retirement Benefits Scheme	10	5	15
21.	Bank of Uganda Defined Contributory Scheme	17.1	4	21.1
22.	VIVO Energy Uganda Limited Staff Provident Fund	12.5	5	17.5
23.	Orient Bank Staff Defined Contribution Scheme	7	5	12
24.	Uganda Clays Staff Provident Fund	10	5	15
25.	Equity Bank (U) Staff Provident Fund Scheme	4	4	8
26.	UAP Staff Retirement Benefits Scheme	10	5	15
27.	Makerere University Business School Staff Retirement Benefits Scheme	-	2	2
28.	PostBank Uganda Provident Fund	5	5	10
29.	Pride Microfinance Retirement Benefits Scheme	5	0.5 - 10	Av.10
30.	Minet Uganda Ltd Staff Retirement Benefits Scheme	10	20/3	50/3
31.	Pace Staff Retirement Benefits Scheme	10	5	15
32.	Uganda Electricity Generation Company Limited Staff Retirement Benefits Scheme	25	5	30
33.	UMEME Ltd Staff Retirement Benefits Scheme	5	5	10
34.	British American Tobacco Uganda Ltd Staff Pension Scheme	12	8	20
35.	Royal Danish Embassy Local Staff Retirement Benefit Scheme	10	5	15
36.	Monitor Publications Staff Provident Fund	3	2.5	5.5
37.	AIRTEL Uganda Staff Provident Fund Scheme	5	5	10
38.	AAR Health Services Uganda Limited Staff Retirement Benefit Scheme	5	2.5 min	7.5 min
39.	Heifer International Uganda Staff Retirement Benefit Scheme	10	-	10
40.	KILIMO Trust Staff Provident Fund	8.33	-	8.33
41.	State Wide Insurance Company Limited Staff Retirement Benefit Scheme	5	5	10
42.	International Union For Conservation of Nature (U) Staff Provident Fund	6	3	9
43.	PCP staff provident Fund	8.33	-	8.33
44.	AIG Uganda Staff Provident Fund	15	5	20
45.	Toyota Uganda Limited Staff Retirement Benefit Scheme	2.5	-	2.5
46.	Century Bottling Company Ltd Provident Fund	5% for EE< 5, else 6.5%	less or equal to 15	Av.13.25

No.	Retirement Benefits Sector Assets	Employer	Employee	Total
47.	Delta Petroleum (U) Ltd Staff Retirement Benefits Scheme	5	2.5	7.5
48.	National Housing and Construction Company Ltd Staff Provident Fund	5	5	10
49.	Opportunity Bank Staff Retirement Benefits Scheme	10	5	15
50.	Uganda Coffee Development Authority Staff Retirement Benefits Scheme	15	5	20
51.	Uganda Communications Employees Contributory Pension Scheme	10	5	15
52.	UNEB Staff Retirement Benefits Scheme	10	5	15
53.	Uganda Retirement Benefits Regulatory Authority	5	5	10

	Umbrella Schemes	Employer	Employee	Total
No.	**Alexander Forbes Retirement Fund**			
1.	KCB Bank Uganda	5	5	10
2.	Citibank Uganda Limited	5	5	10
3.	Exim Bank Uganda Limited (formerly Imperial Bank)	3.5	3.5	7
4.	Uganda Development Bank	7	3	10
5.	Commercial Bank of Africa	3	3	6
6.	International Alert Uganda	10	5	15
7.	Rakai Health Science Program	6	4	10
8.	Unilever Uganda Limited	7	5	12
9.	Marsh Uganda Limited	5	5	10
10.	Lion Assurance Company Limited	5	5	10
11.	ICCO Cooperation	10	5	15
12.	Total Exploration and Production	5	10	15
13.	United Bank of Africa Uganda Limited	3	3	6
14.	Alexander Forbes Financial Services Uganda Limited	5	5	10
15.	Makerere University School of Public Health Fellowship Programme	10	-	10
16.	American Tower Cooperation (ATC Uganda)	5	5	10
17.	ZTE Uganda Limited	5	5	10
18.	ICPAU	5	5	10
19.	Joint Medical Stores	5	10	15
20.	Lancent Laboratories	-	5	5
21.	UGAFODE	2	2	4

No.	Umbrella Schemes Liaison Personal Retirement Plan Scheme	Employer	Employee	Total
1.	Eco bank Uganda Limited Staff Provident Fund	10	5	15
2.	Ericsson Uganda Staff Provident Fund	10	7.5	17.5
3.	Lancet Laboratories Uganda Limited	10	5	15
4.	Ultra-Uganda Limited	10	5	15
5.	People Performance Group	-	10	10
6.	Cayman Consults	10	5	15

No.	JUBILEE Life Umbrella Retirement Scheme			
1.	Fountain Publishers Ltd	10	10	20
2.	Life Ministry Uganda	10	5	15
3.	Aga Khan Foundation	10	5	15
4.	Kansai Plascon Uganda Ltd (Formerly Sadolin Paints (U) Ltd)	9.5% for below 5 years and 13% for 5 years & above	5	Av.15.75
5.	Swiss contact	10	-	10
6.	DHL – Personal Pension Plan	-	UGX100,000 min	UGX100,000 min
7.	World Renew (CRWRC)	10	5	15
8.	Flitlinks International	8.34	-	8.34
9.	Eagle Africa Insurance Brokers	1	2.5	3.5
10.	FINCA Uganda & FINCA Network Support	2.5	2.5	5
11.	Sign Health Gratuity Scheme	Employer contributes an amount to the Fund (Gratuity)		
12.	Multichoice Uganda – Group Pension Plan	-	UGX100,000 min	UGX100,000 min
13.	African Risk and Insurance Services Limited (former Balaji Insurance)	5	10	15
14.	AVSI Foundation	1/12th of Salary	-	1/12th of Salary
15.	Willis Tower Watson Uganda (formerly Grassavoye Uganda Insurance Brokers)	10	5	15
16.	Cayman Consults Ltd	5	5	10
17.	DRT	5	2,000 Kshs	

	Umbrella Schemes	Employer	Employee	Total
No.	**Stanlib Uganda Umbrella Fund**			
1.	Medical Access Staff Provident Fund	7	5	12
2.	Water for People Staff Pension Fund	10	5	15
3.	Pelum Staff Pension Fund	5	5	10
4.	Clinton Health Access Initiative Staff Fund	5	1-10	5-15
5.	Pearl Engineering Company Limited Staff Scheme	Not commenced at time of compilation		
6.	Eskom Staff Provident Fund	8	5 - 15	Av.18
7.	Share an Opportunity Provident Fund	Not commenced at time of compilation		
8.	Fields of Life Provident Fund	7 - 10	-	Av.8.5
9.	International Development Research Centre (IDRC)	10	-	10
10.	International Justice Mission Uganda (IJM)	5	-	5
11.	Liberty General	5	-	5
12.	International Justice Mission (MSH)	8.33	-	8.33
13.	Uganda Wildlife Education Centre (UWEC)	10	-	10
14.	British American Tobacco Uganda Ltd Staff Pension Scheme	12	8	20

No.	UAP Umbrella Retirement Benefits Scheme			
1.	ADRA Uganda	10	5	15
2.	Advance Microfinance	5	5	10
3.	Bugema University	2.5	2.5	5
4.	Build Africa	8.33	3.67	12
5.	C&G Andijes	2.5	2.5	5
6.	FIDA	5	5	10
7.	Habitat for humanity	9	5	14
8.	UAP Life agents DAP	-	UGX50,000 min	UGX50,000 min
9.	Ligomarc Advocates	10	-	10
10.	Self Help Africa	10	10	20
11.	Send A Cow Uganda	10	5	15
12.	Spear Motors	-	UGX31,500 min	UGX31,500 min
13.	Uganda Flowers Exporters Association	10	5	15
14.	Pentecostal Assemblies of God Uganda	UGX500 min	UGX500 min	UGX1,000 min

	Umbrella Schemes	Employer	Employee	Total
15.	FAWE Uganda Chapter	10	5	15
16.	Swan Air Tour And Travel	-	UGX50,000 min	UGX50,000 min
17.	Guaranty Trust Bank	5	5	10
18.	Hima Cement Mining	5	-	5
19.	Kobil Energy	7.5	UGX52,164 min	
20.	HIVOS NGO	10	5	15
21.	Actionaid	3	-	3
22.	Capital Markets Authority	15	5	20
23.	Uganda Biodiversity Fund	8.33	1.67	10
24.	Unbound Kampala	10	-	10
25.	Vredeseilanden Country Office Uganda	10	5	15

No.	ICEA Umbrella Retirement Scheme			
1.	Family Health International	10	5	15
2.	Grameen Foundation Uganda	5	3	8
3.	Human Rights Network	-	2% Quarterly	2% Quarterly
4.	ICEA Agency	UGX100,000 min	-	UGX100,000 min
5.	NC Bank	7	5	12
6.	ICEA Staff	5	5	10
7.	Bible Society of Uganda	3	-	3
8.	Life Church	10	10	20
9.	Feed the Children	15	10	25
10.	ENCOT	5	5	10
11.	BROLL	15	5	20
12.	Diakonia	-	Annual 13th cheque i.e 8.33% monthly	8.33
13.	Insurance Regulatory Authority of Uganda	15	10	25
14.	Life Water International	8	-	8
15.	Financial Intelligence Authority	5	5	10
16.	Sanitation Solutions	10	-	10
17.	A Global Health	7	5	13
18.	AGDEVCO	8.33	-	8.33

	Umbrella Schemes	Employer	Employee	Total
19.	PCP staff provident Fund	8.33	-	8.33

No.	Octagon Uganda Umbrella Retirement Benefits Scheme			
1.	AAR Sales	-	UGX50,000 min per commission payment	UGX50,000 min per commission payment
2.	Octagon Uganda Limited	6	6	12

No.	Umoja Umbrella Retirement Benefits Scheme			
1.	Agency For Cooperation & Research in Development (ACORD)	-	10	10

No.	Supplementary Voluntary Individual Schemes			
1.	KACITA-Uganda Provident Fund	n/a	UGX10,000 min	UGX10,000 min
2.	MAZIMA Voluntary Individual Retirement Benefit Scheme	n/a	UGX2,000 min	UGX2,000 min

Note: n/a implies that these are not occupational schemes
\- Implies that the employer/employee's contribution is zero

APPENDIX IV: 2017 COST-INCOME AND COST-ASSET RATIOS PER SCHEME

Retirement Benefits Schemes		Cost-Income Ratio	Cost-Asset Ratio
		(%)	
No.	**National Mandatory Schemes**		
1.	National Social Security Fund	13.15	1.21
No.	**Mandatory Employer-based Schemes**		
1.	Parliamentary Pension Scheme	19.02	2.09
No.	**Supplementary Voluntary Occupational Schemes**		
1.	Bank of Uganda Staff Retirement Benefits Scheme	6.64	0.68
2.	Uganda Revenue Authority Staff Retirement Benefits Scheme	8.47	0.85
3.	Makerere University Retirement Benefits Scheme	34.11	3.65
4.	Centenary Bank Staff Defined Contribution Scheme	7.27	0.84
5.	Stanbic Bank Uganda Staff Pension Fund	8.97	1.04
6.	NARO Retirement Benefits Scheme	29.76	2.48
7.	Standard Chartered Bank Uganda Pension Trust Fund	9.73	0.95
8.	Barclays Bank of Uganda Limited Staff Pension Fund	18.68	1.37
9.	MTN Uganda Contributory Provident Fund	25.31	2.28
10.	National Social Security Fund Staff Provident Fund	6.79	0.68
11.	Nile Breweries Staff Provident Fund	11.46	1.26
12.	Uganda Breweries Limited Retirement Benefit Scheme	8.19	0.83
13.	Tullow Uganda Limited Staff Retirement Benefits Scheme	10.39	1.40
14.	Kinyara Sugar Works Limited Staff Provident Fund	14.50	1.79
15.	DFCU Limited Staff Provident Fund	9.20	1.01
16.	Housing Finance Bank Retirement Benefits Scheme	10.68	1.18
17.	WATOTO Ministries Provident Fund	19.41	2.07
18.	Uganda Communications Commission Staff Provident Fund	17.12	1.86
19.	Bank of Africa Staff Provident Fund	20.82	1.90
20.	The Crown Beverages Staff Retirement Benefits Scheme	12.10	1.11
21.	Bank of Uganda Defined Contributory Scheme	14.19	1.46
22.	VIVO Energy Uganda Limited Staff Provident Fund	10.65	1.40
23.	Orient Bank Staff Defined Contribution Scheme	11.41	1.20
24.	Uganda Clays Staff Provident Fund	19.93	2.16
25.	Equity Bank (U) Staff Provident Fund Scheme	0.66	0.06
26.	UAP Staff Retirement Benefits Scheme	13.09	1.48

Retirement Benefits Schemes		Cost-Income Ratio	Cost-Asset Ratio
		(%)	
27.	Makerere University Business School Staff Retirement Benefits Scheme	25.67	2.17
28.	PostBank Uganda Provident Fund	14.44	1.42
29.	Pride Microfinance Retirement Benefits Scheme	28.37	2.75
30.	Minet Uganda Ltd Staff Retirement Benefits Scheme	12.12	1.44
31.	Pace Staff Retirement Benefits Scheme	Wound-up	
32.	Uganda Electricity Generation Company Limited Staff Retirement Benefits Scheme	12.22	1.16
33.	UMEME Ltd Staff Retirement Benefits Scheme	29.93	1.92
34.	British American Tobacco Uganda Ltd Staff Pension Scheme	Joined Umbrella	
35.	Royal Danish Embassy Local Staff Retirement Benefit Scheme	1.47	0.13
36.	Monitor Publications Staff Provident Fund	26.81	2.76
37.	AIRTEL Uganda Staff Provident Fund Scheme	11.19	1.17
38.	AAR Health Services Uganda Limited Staff Retirement Benefit Scheme	11.68	1.06
39.	Heifer International Uganda Staff Retirement Benefit Scheme		
40.	KILIMO Trust Staff Provident Fund	1.03	0.09
41.	State Wide Insurance Company Limited Staff Retirement Benefit Scheme	1.08	0.09
42.	International Union For Conservation of Nature (U) Staff Provident Fund	0	0
43.	PCP staff provident Fund	Joined Umbrella	
44.	AIG Uganda Staff Provident Fund	1.54	0.13
45.	ECO Bank Staff Provident Fund	Joined Umbrella	
46.	Toyota Uganda Limited Staff Retirement Benefit Scheme	0.81	0.07
47.	Century Bottling Company Ltd Provident Fund	19.84	1.92
48.	Delta Petroleum (U) Ltd Staff Retirement Benefits Scheme	-	-
49.	National Housing and Construction Company Ltd Staff Provident Fund	75.18	1.34
50.	Opportunity Bank Staff Retirement Benefits Scheme	-	-
51.	Uganda Coffee Development Authority Staff Retirement Benefits Scheme	21.11	1.03
52.	Uganda Communications Employees Contributory Pension Scheme	-	-

Retirement Benefits Schemes		Cost-Income Ratio	Cost-Asset Ratio
		(%)	
53.	UNEB Staff Retirement Benefits Scheme	-	-
54.	Uganda Retirement Benefits Regulatory Authority	-	-

No.	Umbrella Schemes		
1.	Alexander Forbes Retirement Fund	27.05	2.06
2.	Liaison Personal Retirement Plan Scheme	13.19	1.31
3.	JUBILEE Life Umbrella Retirement Scheme	4.75	0.57
4.	Stanlib Uganda Umbrella Fund	13.14	1.02
5.	UAP Umbrella Retirement Benefits Scheme	10.37	1.10
6.	ICEA Umbrella Retirement Scheme	3.11	0.31
7.	Octagon Uganda Umbrella Retirement Benefits Scheme	-	-
8.	Umoja Umbrella Retirement Benefits Scheme	6.86	1.08

No.	Supplementary Voluntary Individual Schemes		
1.	KACITA-Uganda Provident Fund	-	-
2.	MAZIMA Voluntary Individual Retirement Benefit Scheme	-	-

APPENDIX V: PARTICIPATING VOLUNTARY OCCUPATIONAL SCHEMES PER UMBRELLA

No.	Alexander Forbes Retirement Fund	No.	ICEA Umbrella Retirement Scheme
1.	KCB Bank Uganda	1.	Family Health International
2.	Citibank Uganda Limited	2.	Grameen Foundation Uganda
3.	Exim Bank Uganda Limited (formerly Imperial Bank)	3.	Human Rights Network
4.	Uganda Development Bank	4.	ICEA Agency
5.	Commercial Bank of Africa	5.	NC Bank
6.	International Alert	6.	ICEA Staff
7.	Rakai Health Science Program	7.	Bible Society of Uganda
8.	Unilever Uganda Limited	8.	Life Church
9.	Marsh Uganda Limited	9.	Feed the Children
10.	Lion Assurance Company Limited	10.	ENCOT
11.	ICCO Cooperation	11.	BROLL
12.	Total Exploration and Production	12.	Diakonia
13.	United Bank for Africa Uganda Limited	13.	Insurance Regulatory Authority of Uganda
14.	Alexander Forbes Financial Services Uganda Limited	14.	Life Water International
15.	Makerere University School of Public Health Fellowship Programme	15.	Financial Intelligence Authority
16.	American Tower Cooperation	16.	Sanitation Solutions
17.	ZTE Uganda Limited	17.	A Global Health
18.	ICPAU	18.	AGDEVCO
19.	Joint Medical Stores	19.	PCP staff provident Fund
20.	Lancent Laboratories		
21.	UGAFODE		

No.	Jubilee Life Umbrella Scheme	No.	UAP Umbrella Retirement Benefits Scheme
1.	Fountain Publishers Ltd	1.	ADRA Uganda
2.	Life Ministry Uganda	2.	Advance Microfinance
3.	Aga Khan Foundation	3.	Bugema University
4.	Kansai Plascon Uganda Ltd (Formerly Sadolin Paints (U) Ltd)	4.	Build Africa
5.	Swiss contact	5.	C&G Andijes
6.	DHL	6.	FIDA
7.	World Renew (CRWRC)	7.	Habitat for humanity

No.	Jubilee Life Umbrella Scheme	No.	UAP Umbrella Retirement Benefits Scheme
8.	Flitlinks International	8.	UAP Life agents DAP
9.	Water for People	9.	Ligomarc
10.	Eagle Africa Insurance Brokers	10.	Self Help Africa
11.	FINCA Uganda & FINCA Network Support	11.	Send A Cow Uganda
12.	Sign Health Gratuity Scheme	12.	Spear Motors
13.	Multichoice Uganda	13.	Uganda Flowers Exporters Association
14.	African Risk and Insurance Services Limited (former Balaji Insurance)	14.	Pentecostal Assemblies of God Uganda
15.	AVSI Foundation	15.	FAWE Uganda Chapter
16.	Willis Tower Watson Uganda (formerly Grassavoye Uganda Insurance Brokers)	16.	Swan Air Tour And Travel
17.	Cayman Consults Ltd	17.	Guaranty Trust Bank
18.	DRT	18.	Hima Cement Mining
		19.	Kobil Energy
		20.	HIVOS NGO
		21.	PAG
		22.	Actionaid
		23.	Capital Markets Authority
		24.	Uganda Biodiversity Fund
		25.	Unbound Kampala
		26.	Vredeseilanden Country Office Uganda

No.	Liaison Personal Retirement Plan Scheme	No.	Octagon Uganda Umbrella Retirement Benefits Scheme
1.	Eco bank Uganda Limited Staff Provident Fund	1.	AAR Sales
2.	Ericsson Uganda Staff Provident Fund	2.	Octagon Uganda Limited
3.	Lancet Laboratories Uganda Limited		
4.	Ultra-Uganda Limited		
5.	People Performance Group		
6.	Cayman Consults		

No.	Stanlib Uganda Umbrella Fund	No.	Umoja Umbrella Retirement Benefits Scheme
1.	Medical Access Staff Provident Fund	1.	Agency For Cooperation & Research in Development (ACORD)
2.	Water for People Staff Pension Fund		
3.	Pelum Staff Pension Fund		
4.	Clinton Health Access Initiative Staff Fund		
5.	Pearl Engineering Company Limited Staff Scheme		
6.	Eskom Staff Provident Fund		
7.	Share an Opportunity Provident Fund		
8.	Fields of Life Provident Fund		
9.	International Development Research Centre (IDRC)		
10.	International Justice Mission Uganda (IJM)		
11.	Liberty General		
12.	International Justice Mission (MSH)		
13.	Uganda Wildlife Education Centre (UWEC)		
14.	British American Tobacco Uganda Ltd Staff Pension Scheme		

APPENDIX VI: LICENSED SERVICE PROVIDERS

No.	Corporate Trustees
1.	Kenya Commercial Bank Limited
2.	Jomo Investments and Trustee Services Limited
3.	Quanteast Advisory Limited
4.	Vivo Energy Uganda Limited

No.	Administrators	Address
1.	UAP Life Assurance Uganda Limited	UAP Nakawa Business Park, 1st Tower, 6th Floor, Plot 3-5, Old Port Bell Road, P.O. Box 1610, Kampala
2.	ICEA Life Assurance Company Uganda Limited	Plot 2 and 4A, Rwenzori Courts, Nakasero Road, P.O. Box 33953, Kampala
3.	Alexander Forbes Financial Services Limited	2nd Floor Studio House, 5 Bandali Rise, P. O. Box 73302,Bugolobi, Kampala
4.	Liaison Financial Services Limited	Liaison House, Plot 44 Lumumba Avenue, P. O. Box 22607, Kampala
5.	Jubilee Insurance Company Uganda Limited	Jubilee Insurance Centre, Parliament Avenue, P.O Box 10234, Kampala
6.	Octagon Uganda Limited	5th Floor, Padrepio House, Plot 32, Lumumba Avenue, P.O. Box 2255, Kampala
7.	Padre pio Insurance Brokers	Plot 12A Turffnell Drive, Kamwokya, P.O. Box 7446, Kampala
8.	Minet Uganda Limited (formerly AON Uganda Limited)	Plot 16 Clement Hill Road, P.O. Box 3123, Kampala
9.	Prudential Life Assurance	2nd Floor, Kampala Boulevard Plot 24-26 Kampala Road, P.O Box 2660, Kampala

No.	Fund Managers	Address
1.	UAP Financial Services Limited	UAP Nakawa Business Park, 1st Tower, 6th Floor, Plot 3-5, Old Port Bell Road, P.O. Box 1610, Kampala
2.	Sanlam Investments East Africa (formerly Pine Bridge Investments East Africa Limited)	Workers House, 7th Floor, Pilkington Road, P.O. Box 9831, Kampala
3.	ICEA Asset Management Company Limited	Plot 2 & 4A, Rwenzori Courts, Nakasero Road, P.O. Box 33953 Kampala
4.	African Alliance Uganda Limited	1st Floor Workers House, Pilkington Road, P.O. Box 70828, Kampala
5.	Gen-Africa Asset Managers	P.O Box 75200, Plot 4 Parliament Avenue, Eco Bank Plaza, Kampala
6.	Stanlib Uganda Limited	4th Floor Crested Towers, 17 Hannington Road, P.O. Box 7131, Kampala
7.	Britam Asset Managers Company (Uganda) Limited	Plot 24 Akii Bua Road - Nakasero, P.O Box 36583, Kampala

No.	Custodians	Address
1.	Housing Finance Bank	Investment House, Plot 4 Wampewo Avenue-Kololo, P. O Box 1539, Kampala
2.	Bank of Africa Uganda Limited	Plot 45, Jinja Road P. O. Box 2750 , Kampala
3.	Stanbic Bank Uganda Ltd	Plot 17 Hannington Road, 2nd Floor Crested Towers, P.O Box 7131, Kampala
4.	KCB Bank Uganda Limited	Commercial Plaza, Plot 7 Kampala road, P.O. Box 7399, Kampala
5.	Standard Chartered Bank	5 Speke Road, P.O Box 7111, Kampala

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URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

FOR MORE INFORMATION

Uganda Retirement Benefits Regulatory Authority (URBRA)

4th – 6th floor, Plot 1 Clement Hill Road
P.O Box 7561, Kampala – Uganda
Telephone: +256 417304500/ +256200513500/ +256312324500
Website: www.urbra.go.ug
Twitter: @urbraUg
Facebook: urbraUg