EMPLOYMENT BENEFITS BASELINE SURVEY REPORT

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FOREWORD

The Uganda Retirement Benefits Regulatory Authority (URBRA) commissioned this Baseline Survey in 2016 to identify existing employment benefits and to establish the reasons why some employers do not provide retirement benefits to their employees.

The survey reveals that few individuals are now saving for retirement through public pension provisioning, occupational retirement benefit schemes, and personal retirement saving plans yet retirement benefit arrangements are an important source of retirement income for older people.

A lot of attention has been focused on the relationship between saving and growth but saving is also about smoothing consumption in the face of old age vulnerabilities. To employers in the private sector, focus is on business survival and growth, and to workers, old age security and the associated need to start saving is not a priority. While employers are providing cash and non-cash benefits, retirement benefits arrangements are limited to a small portion of the working population. Most employers and employees do not have an appetite to establish and participate in retirement benefits arrangements respectively. In addition, the incidence of employment benefits stems from the variation in activities and occupational structure of an establishment. It is therefore important to consider the factors that influence savings decisions for employers and employees.

This report is intended to inform policy formulation and reforms that will enhance workforce participation in retirement benefit arrangements. I therefore wish to thank Uganda Bureau of Statistics (UBOS) for conducting this survey.

David Bonyi Nyakundi
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UGANDA RETIREMENT BENEFITS
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PREFACE

The Uganda Bureau of Statistics has the mandate to produce quality statistics to inform policy, planning and decision making. In its commitment to make statistics a public good, UBOS supports sister agencies by providing technical expertise in conducting surveys and best practices.

The findings of this report indicate that most establishments offered allowances (cash and non-cash). This was attributed to flexibility and ease of managing allowances especially for employees with short, unstable terms of employment.

The report also provides baseline information about establishments that contribute to the National Social Security Fund and those that have Voluntary Retirement Benefit Scheme (VRBS) arrangements.

Establishments with retirement benefits arrangements were mainly found in the finance and insurance as well as education sectors. However, establishments that do not offer retirement benefit plans are constrained by lack of awareness, cost of set-up, operation and funding.

It is our sincere hope that the findings in this report will be useful in supporting retirement benefits sector development.

Ben Paul Mungyereza
EXECUTIVE DIRECTOR
UGANDA BUREAU OF STATISTICS

ACKNOWLEDGEMENTS

The Uganda Bureau of Statistics (UBOS) is grateful particularly to Uganda Retirement Benefits Regulatory Authority (URBRA) for the collaboration to undertake this survey.

We acknowledge the contribution of the respondents, interviewers, supervisors and all other stakeholders that contributed to the success of this survey.

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GLOSSARY

Act of Parliament: Legislation that is passed by the Parliament intended to create a new law or to amend an existing law.

Activity: What a given business establishment is engaged in (e.g. Manufacturing, Banking, Trade etc.) as spelt out in the United Nations International Standard Industrial Classification (ISIC) Rev 4.

Allowance: An amount of money given to an employee for a specific purpose e.g. travel allowance, bonus, honoraria etc.

An investment club: This is a group of individuals who meet for the purpose of pooling money and investing. Members typically meet on a periodic basis to make investment decisions as a group through a voting process and recording of minutes, or gather information and perform investment transactions outside the group. Investment clubs provide members a means to learn about markets, while meeting and working with people who have similar interests.

Any other benefits: Non-cash benefits i.e. Insurance (Medical, fire, accidents, indemnity, etc), Funeral, Leave (Annual, paternity, sick, education etc) and Grants (Education, Housing, Childcare, lunch, Transport).

Circle: Refer to Merry go Round

Co-operative: A joint venture arrangement between persons or organisations with common interests, which includes the word "co-operative" in its title and which is created within the legislative provisions of the Co-operatives Act. Each co-operative is owned and controlled by those who formed it.

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 sufficient funds from the account as a lump sum payment to the beneficiary. Under this arrangement the insurance guarantees a certain percentage of interest to the retirement benefits schemes on an annual basis.

Employee: An individual who works part-time or full-time under a contract of employment, whether oral or written, express or implied, and has recognized rights and duties.

Employment Benefits: Also called fringe benefits, perquisites, or perks and include various types of non-wage compensation provided to employees in addition to their normal wages or salaries.

Establishment: An enterprise or part of an enterprise that is situated in a single location established for conducting an economic activity. Casual laborer: Casual laborer: a person who works on daily or hourly basis where payment of wages is due at the completion of each day's work.

Government Body: A public service body established under legislation, including Ministries, Departments, Agencies and government trading enterprises. Gratuity: A sum of money customarily tendered, in addition to the basic price, to certain service sector workers for a service performed or anticipated. A sum of money paid by an employer to an employee in addition to the wages or salary and is normally over and above payment due for service rendered.

ISIC: The United Nations' International Standard Industrial Classification of all economic activities. It is a standard classification of all productive economic activities that may be used for statistical analysis. The current version is ISIC Rev 4.

Joint Government: A Public-Private Partnership (PPP) or a business arrangement that includes a combination for the purposes of that business arrangement of one or more establishments in the private sector (sole proprietorship, partnership, private limited liability Company Or Co-operative) and at least one Government Ministry, Department, Authority or Agency.

Lump Sum: This is a mode of payment where a person is paid all his savings in a retirement benefits scheme at once as a lump sum instead of receiving periodic payments.

Mandatory Scheme: means a scheme established under an Act of Parliament or a legal instrument which requires all eligible employers to register and make mandatory contributions for and on behalf of their employees to the scheme.

Merry-go-Round: This is a small social organization where members contribute a small sum of money on a regular basis, often every week. Each time money is collected, the full sum is paid out to one of the members. The members take turns receiving the pay-out, so that after one full cycle, every member of the group has had a turn. By participating, members are essentially putting money away until it comes back to them as a larger sum.

Multinational Corporation: Abbreviated as MNC, it is a business establishment which has facilities and other assets in at least one country other than its home country. Such companies have offices and/or factories in different countries and usually have a centralized head office where they coordinate global management.

National Social Security Fund Uganda: Abbreviated as NSSF Uganda, this is National Saving Scheme mandated by the Government of Uganda through the National Social Security Fund Act Cap 222 of the Laws of Uganda and to which all establishments with five or more employees are compelled to subscribe. It is a quasi-government agency responsible for the collection, safekeeping, responsible investment and distribution of retirement funds from employees of the private sector in Uganda who are not covered by the Government Retirement Scheme.

Non Stated: All businesses whose form of ownership will NOT have been established shall be deemed to belong to this category pending further investigations.

Non-Government Organisation: Organisations that are not established by the government and whose activities are not necessarily motivated by the making of profit.

Parastatals: Quasi Government agencies instituted by decree or by an Act of the Parliament of Uganda and designed to perform specific functions on behalf of the Government.

Partnership: A business which is wholly owned jointly by two or more persons without "limited liability" and for which the distribution of investment, risk taking and management responsibility is as agreed between the partners.

Permanent Employee: An employee who has been hired for a position for more than one year.

Private Limited Liability Company: A company that offers limited liability, or legal protection for its shareholders but that places certain restrictions on its ownership. These restrictions are defined in the company's bylaws or regulations and are meant to prevent any hostile takeover attempt.

Provident fund: A fund into which the employer and the employee both pay money regularly, so that when the employee retires or leaves the company, he or she receives his or her benefits as a Lump sum payment.

Public Limited Liability Company: A type or form of for-profit incorporated company where ownership is divided into shares that are publicly tradable usually in a stock exchange.

Religious Organization: refers to a faith-based organization and includes among others the Catholic Church, the Church of Uganda, the Seventh Adventist Church, Orthodox Church, the Islamic Community, etc.

Retirement Benefits Scheme: A legally binding agreement or arrangement other than a contract for life assurance whether established by a written law or by any other instrument, under which members are entitled to benefits in the form of annuity or a lump sum payable upon retirement, or upon death, termination of service or upon the occurrence of an event specified in the written law, agreement or arrangement.

Retirement Benefits: Refers to a payment made to a pension fund under which members (or dependents) are entitled to in the form of annuity or a lump sum payable upon retirement, or upon death, termination of service or upon the occurrence of an event specified in the written law, agreement or arrangement.

SACCO: A cooperative organization established, owned, managed and run by its members mainly for purposes of making savings and extending loans to the members.

Saving: Income not spent, or deferred consumption.

Sole Proprietorship: A business which is wholly owned by one person without limited liability, and that one person has total responsibility for all aspects of risk-taking and management of the business.

Temporary Employee: This is a job that with an appointment lasting one year or less with a specific expiry date.

Trust Deed: This is a legal document executed/signed between the sponsor/ employer and the trustees for purposes of setting up a retirement benefits scheme.

Umbrella Retirement Benefits Scheme: A retirement benefits scheme which collects contributions of employees of a single employer or a group of employers, individuals, members of an association or a professional body and admission to the scheme membership is not restricted.

Wage: A monetary compensation paid by an employer to an employee in exchange for work done. Payment may be calculated as a fixed amount for each task completed (a task wage or piece rate), or at an hourly or daily rate.

ABBREVIATIONS

CSPro	Census and Survey Processing
DAP	Deposit Administration Plan
EBBS	Employment Benefit Baseline Survey
ISIC	International Standard Industrial Classification
KCCA	Kampala Capital City Authority
NGO	Non-Governmental Organisation
NSSF	National Social Security Fund
PF	Provident Fund
RBS	Retirement Benefit Schemes
SACCOs	Savings and Credit Cooperatives Organisations
SC	Steering Committee
STATA	General-purpose statistical software created in 1985 by Stata Corp
TWC	Technical Working Committee
UBOS	Uganda Bureau of Statistics
URBRA	Uganda Retirement Benefits Regulatory Authority
VRBS	Voluntary Retirement Benefit Schemes

EXECUTIVE SUMMARY

Employment benefits are an important part of employee compensation. Information about employment benefits is useful to job seekers, employees, employers and policy makers. This survey collected information on Employment Benefits offered to workers in the private sector, Non-Government Organizations and the public sector.

In all, 3,398 establishments were targeted. A total of 2,933 establishments employing 106,403 workers were interviewed with a response rate of 86%. The majority of establishments had between 10-49 employees.

Employment Benefits

The survey established that for Permanent staff, most establishments offered allowances (67.6 percent) followed by Any other benefits (9.8 percent), Pension (9.6 percent), Gratuity (9.2 percent) and a lump sum at retirement was the least offered (3.3 percent). For Temporary staff, most establishments offered allowances (24.8 percent) followed by Any-other benefits (2.6 percent), pension (2.1 percent), Gratuity (1.1 percent) and lump sum at retirement was the least offered (0.4 percent).

Establishments employing between 50-99 persons had the highest percentage of those providing Allowances and Pension benefits to their employees. On the other hand Gratuity, Lump sum and Any Other benefits were mainly provided by establishments employing more than 100 persons.

Registration with NSSF

The survey findings showed that out of 2,666 Establishments which are required by law to make mandatory contributions to the NSSF (i.e., Establishments employing five or more persons), only 58.8 percent were registered. However, 34.1 percent of Establishments employing less than five persons were making voluntary contributions to NSSF.

Retirement Benefits

Findings also revealed that 29 establishments had Voluntary Retirement Benefits Scheme (VRBS) which were operated as provident funds. The Industries with the highest number of retirement benefits plans were Finance and Insurance activities (32.3 percent), Education (16.1 percent), Trade (12.9 percent) and Human Health and Social work activities (9.7 percent) .

Challenges in Establishing Retirement Schemes

Employers that do not offer retirement benefit plans cited lack of awareness, cost of set-up, operation and funding as major reasons hindering them from establishing any such scheme. In addition, absence of a provision to establish voluntary retirement benefits arrangements in institutional policies was also noted as one of the challenges prohibiting employers from establishing Retirement Benefits Plans.

CHAPTER ONE | INTRODUCTION

1.1 Background

The Uganda Retirement Benefits Regulatory Authority (URBRA) was created by the URBRA Act 2011 to oversee and regulate the establishment, management and operation of retirement benefits schemes both in the public and private sector in Uganda, and to protect the interests of members and beneficiaries of all schemes. URBRA commissioned the Employment Benefits Baseline Survey in 2016.

1.2 Objectives of the Employment Benefits Baseline Survey

The overall objective of the baseline survey was to identify employment-based retirement plans and other employee related benefits provided by employers in Uganda.

The specific objectives are provided below as follows:

i. To collect information on establishments providing employment-based retirement plans and other employee related benefits, including names of the establishments, employers or entities in formal sector, physical address, type and contact persons.

ii. To identify employment-based retirement plans and other employee related benefits provided by establishments.

iii. To categorize establishments providing employment-based retirement plans and other employee related benefits by sector, size and location in the survey districts (Gulu, Soroti, Mukono, Jinja, Mbarara, Masaka, Mbale, Wakiso and Kampala).

iv. To generate an electronic database of establishments providing employment-based retirement plans and other employee related benefits and an information storage system compatible with Microsoft applications for use by URBRA.

1.3 Survey Scope & Coverage

The survey was initially planned to cover establishments in the districts of Gulu, Soroti, Kampala, Mukono, Jinja, Wakiso, Mbarara, Masaka and Mbale. These districts were selected following guidance from URBRA as districts of interest. Later, however, UBOS in consultations with URBRA included Buikwe because of the existence of large establishments in the district and its proximity to Jinja and Mukono.

The 2009/10 Census of Business Establishments (COBE) dataset was used to identify establishments that fulfilled the sampling design. The establishments were categorized by ISIC groups as shown in Table 1.1.

Table 1.1 Categorization of Establishments for EBS by district

ACTIVITY	GULU	JINJA	KAMPALA	MASAKA	MBALE	MBARARA	MUKONO	SOROTI	WAKISO	Total
Utilities	1	3	10	2	2	1	2	0	1	22
Transport and Storage	18	26	328	12	19	14	9	6	37	469
Trading	4	14	302	6	10	14	9	4	19	382
Recreation	0	3	25	0	2	1	0	0	6	37
Real Estate	0	0	32	0	0	0	0	0	1	33
Public Administration	13	17	146	0	3	4	4	1	18	206
Other service Activities	0	1	34	3	0	0	1	0	3	42
Mining and Quarrying	0	0	17	2	0	0	6	1	4	30
Manufacturing	2	31	490	6	23	14	11	4	0	581
Finance and Insurance	16	35	342	25	26	34	19	8	37	542
Activities of Extra Territorial organisations and Bodies	0	0	17	0	0	0	0	0	1	18
Education and Health	37	48	342	63	47	45	65	37	0	684
Construction	2	1	336	0	0	3	3	0	7	352
Total	**93**	**179**	**2,421**	**119**	**132**	**130**	**129**	**61**	**134**	**3,398**

The survey collected information on:

- Demographic characteristics of establishments;
- Category of main activity of the establishments;
- Total number and category of staff members of the establishments;
- Legal ownership of the establishments;
- Types of employment benefits provided to staff;
- Establishments with Voluntary Retirement Benefits Schemes
- Governance of the Retirement schemes; and
- Types of savings schemes available in the establishment.

1.4 Sampling Design

A total of 3,398 establishments distributed across the 9 districts were selected.
The criterion below was adopted:
a. The establishments employing 20 persons and above with and turnover of 5 to 10 million shillings;

b. The establishments with a turnover of 10 million and above per month;

c. All establishments involved in Finance and Insurance; and

d. Any other establishments falling under category a-c above and not in the sampling frame.

e. Establishments with Retirement Benefit arrangements already licensed by URBRA were excluded from the sample

1.5 Survey Instruments

Instruments used in the survey included: Employment Benefits Baseline Survey questionnaire, the Interviewers' Manual, list of the sampled Establishments and the Qualitative questionnaire.

1.6 Data Collection

Five teams composed of a Team Supervisor (Team Leader), 4 interviewers and a driver were constituted. Face to Face interview methods were used to administer the questionnaire.

1.7 Data Entry and Analysis

Data was captured, cleaned and edited for internal consistency using the CSPro software.
The data was then analyzed using STATA software to generate cross tabulations.

1.8 Report Writing

The report was prepared by the Technical Working Group and reviewed by the Steering Committee.

1.9 Response Rate

A total of 3398 establishments households were sampled, out of which 2933 establishments were successfully interviewed, accounting for an 86.3% response rate. Non-response mainly resulted from, among others reasons, failure to locate some establishments and delays in acquiring information due to lengthy administrative procedures.

1.10 Oath of Secrecy

In order to ensure confidentiality and adherence to the UBOS Act of 1998, each enumerator was formally appointed and subjected to an oath of secrecy sworn before the designate of the chief magistrate.
1.11 Challenges Encountered and Limitations of the Survey

While undertaking the exercise, the following challenges and limitations were encountered:

i. Locating some of the Establishments was difficult. This was as a result of establishments shifting to locations unknown to the interviewers

ii. Long administrative procedures required to be followed before getting a successful interview.

CHAPTER TWO | GENERAL FINDINGS

2.1 Introduction

This Chapter presents the overall structure of establishments in the selected districts of Uganda. It also provides details of the distribution of establishments by Activity, Employment Size and type of Ownership. Information on the year the establishment started was also collected.

2.2 Establishments by District

Kampala had the highest number of established covered with 32 percent, followed by Wakiso district 20 percent while Buikwe had the lowest (1.0 percent) as shown in Table 2.1.

Table 2.1 Distribution of Establishments by District

District	Selected establishments	No. of Establishments that responded	Response Rate per District	Percentage of establishments covered
Kampala	1,144	933	81.6	31.8
Wakiso	584	578	99.0	19.7
Masaka	349	328	94.0	11.2
Mbarara	380	301	79.2	10.3
Jinja	379	297	78.4	10.1
Gulu	193	155	80.3	5.3
Mbale	165	154	93.3	5.3
Mukono	129	105	81.4	3.6
Soroti	75	65	86.7	2.2
Buikwe	0	17	0	0.6
Total	**3,398**	**2,933**	**86.3**	**100.0**

2.3 Establishments by Industry

The Education Sector had the highest number of Establishments accounting for 35 percent, Finance and Insurance activities 11 percent, Activities of extraterritorial organisations and bodies registered the lowest number of Establishments covered 0.3 percent, as shown in Table 2.2.

Table 2.2 Distribution of Establishments by Industry

Industry	Number of Establishments	Percentage Establishments
Education	1,014	34.6
Finance and Insurance Activities	322	11.0
Accommodation and Food Services Activities	266	9.1
Trade	244	8.3
Human Health and Social Work Activities	236	8.1
Professional, Scientific and Technical Activities	211	7.2
Manufacturing	167	5.7
Information and Communication	79	2.7
Administrative and Support Services	79	2.7
Construction	74	2.5
Transport and Storage	73	2.5
Other Services Activities	46	1.6
Public Administration and Defense; Compulsory Security	28	1.0
Arts, Entertainment and Recreation	24	0.8
Agriculture, Forestry and Fishing	14	0.5
Electricity	12	0.4
Real Estate Activities	12	0.4
Mining and Quarrying	11	0.4
Water, Sewage, Waste Management	11	0.4
Activities of Extraterritorial Organisations and Bodies	10	0.3
Total	**2933**	**100**

2.4 Establishments by Employment Size

Establishments in Education and Manufacturing Industries had the highest number of employees, accounting for 30 percent and 17 percent respectively. Gender disaggregation showed that 60 percent of the employees were male and 40 percent were female, as shown in Table 2.3

Table 2.3 Distribution of Industry by Employment size and by Sex

Industry	Male Employees	Female Employees	Total	% Male	% Female	% Total
Education	1,7321	1,4152	31,473	27.2	33.0	29.6
Manufacturing	1,1864	6,469	18,333	18.7	15.1	17.2
Finance and Insurance Activities	4,491	4,718	9,209	7.1	11.0	8.7
Human Health and Social Work Activities	3,380	4,077	7,457	5.3	9.5	7.0
Accommodation and Food Services Activities	2,889	2,884	5,773	4.5	6.7	5.4
Trade	3,857	1,907	5,764	6.1	4.5	5.4
Construction	4,460	1,126	5,586	7.0	2.6	5.2
Transport and Storage	3,533	1,279	4,812	5.6	3.0	4.5
Administrative and Support Services	2,714	1,287	4,001	4.3	3.0	3.8
Information and Communication	2,108	1,591	3,699	3.3	3.7	3.5
Professional, Scientific and Technical Activities	1,317	827	2,144	2.1	1.9	2.0
Other Services Activities	1,135	629	1,764	1.8	1.5	1.7
Public administration and Defense; Compulsory Security	1,347	403	1,750	2.1	0.9	1.6
Agriculture, Forestry and Fishing	656	395	1,051	1.0	0.9	1.0
Arts, Entertainment and Recreation	727	320	1,047	1.1	0.7	1.0
Electricity	633	373	1,006	1.0	0.9	0.9
Water, Sewage, Waste Management	551	135	,686	0.9	0.3	0.6
Real Estate Activities	**359**	**158**	**517**	**0.6**	**0.4**	**0.5**
Mining and Quarrying	**172**	**69**	**241**	**0.3**	**0.2**	**0.2**
Activities of Extraterritorial Organisations and Bodies	**50**	**40**	**90**	**0.1**	**0.1**	**0.1**
Total	**63,564**	**42,839**	**106,403**	**100**	**100**	**100**

2.5 Ownership and Industry by Nationality

The findings indicated that 89 percent of the Establishments were Domestic while 10 percent were Multinational. Analysis by legal ownership indicated that most Establishments were Private Limited (1,342) as shown in Table 2.4.

In respect to industry, most Establishments were in the Education (1,014) of which 97 percent were Domestic

Table 2.4 Percentage Distribution of Ownership and Industry by Nationality

Legal Ownership	Domestic	Multinational	Missing	Total	No. of Establishments
Sole Proprietor	95.6	3.6	0.8	100	618
Partnership	90.5	9.1	0.3	100	317
Private limited	86.4	12.8	0.8	100	1,342
Public Limited	90	10	0	100	50
Statutory Corporation	55.6	44.4	0	100	9
Parastatal	100	0	0	100	17
Government	97.7	1.4	0.9	100	221
Cooperative	97.6	2.4	0	100	42
Joint Government	100	0	0	100	12
Religious	97.6	1.6	0.8	100	124
NGO	68.2	30.5	1.3	100	154
Not stated/ Unknown	66.7	14.3	19	100	21
Not Registered	83.3	16.7	0	100	6
Industry					
Agriculture, forestry and Fishing	100	0	0	100	14
Mining and Quarrying	81.8	18.2	0	100	11
Manufacturing	91	9	0	100	167
Electricity	100	0	0	100	12
Water, sewage, waste management and remediation	72.7	27.3	0	100	11
Construction	75.7	23	1.4	100	74
Trade	78.7	19.7	1.6	100	244
Transport and Storage	61.6	38.4	0	100	73
Accommodation and food services activities	96.6	2.6	0.8	100	266
Information and Communication	78.5	21.5	0	100	79
Finance and Insurance activities	76.4	22.4	1.2	100	322
Real estate activities	91.7	8.3	0	100	12
Professional, scientific and technical activities	97.6	1.9	0.5	100	211
Administrative and support service activities	84.8	13.9	1.3	100	79
Public administration and defense; compulsory social security	89.3	10.7	0	100	28
Education	96.7	2.3	1	100	1,014
Human Health and Social work activities	89	10.2	0.8	100	236
Arts, entertainment and recreation	87.5	8.3	4.2	100	24
Other services activities	82.6	17.4	0	100	46
Activities of extraterritorial organisations and bodies	60	40	0	100	10
Total	**89.3**	**9.9**	**0.9**	**100**	**2933**

2.6 Years of Existence by Nationality

Forty nine percent of the establishments covered had been in existence for less than ten years and 6.5 percent were more than fifty years old, as shown in Table 2.5 below. Of the Establishments that had existed for less than ten years, 89.6 percent were domestic and 9.4 percent were Multinational.

Table 2.5 Percentage Distribution of years of Existence by Nationality

Years of Existence	Domestic	Multinational	Missing	Total	No. of Establishments	Percentage share of Establishments
1 to 9	89.6	9.4	1.0	100	1,440	49.1
10 to 19	89.4	10.1	0.5	100	822	28.0
20 to 29	87.9	11.4	0.7	100	306	10.4
30 to 39	90.1	8.1	1.8	100	111	3.8
40 to 49	90.3	9.7	0.0	100	62	2.1
50+	87.5	10.9	1.6	100	192	6.5
Total	**89.3**	**9.9**	**0.9**	**100**	**2,933**	**100**

2.7 Summary

Generally, the survey covered 2933 establishments of which 49.1 percent were less than 10 years old. Most of the establishments that were covered were engaged in Education activities, accounting for 34.6 percent. Female employees accounted for 40 percent of total employees across all establishments.

CHAPTER THREE | EMPLOYMENT BENEFITS

3.1 Introduction

This Chapter presents the findings of the benefits employers offer their employees. These benefits can be either statutory or institutional framework arrangements. Employment benefits are meant to attract, motivate and retain skilled staff and to provide retirement income. The analysis has been done by Industry, Employment size, Legal Ownership, Years of existence and Nationality of the ownership.

3.2 Benefits offered by Establishments

The survey analyzed employment benefits by employment status (permanent and temporary). For permanent staff, allowances were the most offered (67.6 percent) followed by Any other benefits (9.8 percent), Pension (9.6 percent), Gratuity (9.2 percent) and a lump sum was the least offered (3.3 percent), as shown in Table 3.1.

On the other hand only (24.8 percent) of establishments offered allowances, Any-other benefits (2.6 percent), pension (2.1 percent), Gratuity (1.1 percent) and lump sum was the least offered (0.4 percent) for temporary employees as shown in Table 3.1. It was noted that Permanent employees were offered more types benefits compared to temporary employees.

Table 3.1 Proportion of Employment benefits offered by employment status

Employment Status	Allowances	Gratuity	Pension	Lump sum retirement	Any other Benefit
Permanent	67.6	9.2	9.6	3.3	9.8
Temporary	24.8	1.1	2.1	0.4	2.6

3.2.1 Employment Benefits offered to Permanent Employees by Industry

The results indicate that allowances were most offered by Establishments engaged in Mining and Quarrying (81.8 percent), Activities of extraterritorial organisations and bodies (80.0 percent) and Education (75.6 percent) compared to establishments engaged in other industries.

Gratuity was most offered by Establishments engaged in Activities of extraterritorial organisations and bodies (20.0 percent), Water, sewage, waste management and remediation (18.2 percent) and Public administration and defense; compulsory social security (17.9 percent).

Lump sum benefits were mainly offered by Establishments in Mining and Quarrying (18.2 percent), Arts, entertainment and recreation (16.7 percent), Other services activities (15.2 percent), offered more

Pension to their employees while Establishments in Information and Communication (11.4 percent), Mining and Quarrying (9.1 percent) and Public administration and defense; compulsory social security (10.7 percent).

Any other benefits were more common in Establishments engaged in Electricity (25.0 percent), Transport and Storage (19.2 percent) as well as Public administration and defense compulsory social security (17.9 percent), as shown in the Table 3.2.

Table 3.2 Percentage Distribution of Employment Benefits received by Permanent Staff by Sector

Industry	Allowances	Gratuity	Pension	Lump sum retirement	Any other	Number of Establishments
Agriculture, forestry and Fishing	42.9	7.1	7.1	0.0	0.0	14
Mining and Quarrying	81.8	9.1	18.2	9.1	9.1	11
Manufacturing	71.3	7.8	9.6	3.0	8.4	167
Electricity	50.0	16.7	8.3	0.0	25.0	12
Water, sewage, waste management and remediation	27.3	18.2	9.1	0.0	9.1	11
Construction	63.5	17.6	1.4	5.4	10.8	74
Trade	67.2	6.6	3.3	1.6	10.2	244
Transport and Storage	65.8	11.0	6.8	4.1	19.2	73
Accommodation and food services activities	65.4	5.6	9.0	1.9	8.3	266
Information and Communication	68.4	10.1	7.6	11.4	16.5	79
Finance and Insurance activities	64.3	11.8	6.8	5.6	13.0	322
Real estate activities	75.0	16.7	8.3	8.3	8.3	12
Professional, scientific and technical activities	50.2	5.2	4.3	0.5	8.5	211
Administrative and support service activities	53.2	7.6	8.9	2.5	12.7	79
Public administration and defense; compulsory social security	60.7	17.9	10.7	10.7	17.9	28
Education	75.6	8.4	12.6	3.0	7.8	1014
Human Health and Social work activities	65.3	14.4	14.8	3.4	11.4	236
Arts, entertainment and recreation	58.3	8.3	16.7	0.0	8.3	24
Other services activities	60.9	10.9	15.2	4.3	6.5	46
Activities of extraterritorial organisations and bodies	80.0	20.0	10.0	0.0	0.0	10
Total	**67.6**	**9.2**	**9.6**	**3.3**	**9.8**	**2933**

3.2.2 Employment Benefits offered to Temporary Employees by Industry

Allowances were most offered by Establishments engaged in Activities of extraterritorial organisations and bodies (60.0 percent), Other services activities (37.0 percent), and Water, sewage, waste management and remediation (36.4 percent).

Gratuity was most offered by Establishments engaged in Mining and Quarrying as well as in Water, sewage, waste management and remediation (9.1 percent) and in Arts, entertainment and recreation (4.2 percent).

Lump sum payments were most offered by Establishments engaged in Activities of extraterritorial organisations and bodies (20.0 percent), Other services activities (10.9 percent), Mining and Quarrying (9.1 percent), Water, sewage, waste management and remediation (9.1 percent) offered more Pension to their employees while Mining and Quarrying (9.1 percent), Agriculture, forestry and Fishing (7.1 percent) and Other services activities (2.2 percent) provide a Lumpsum payment.

Any other benefits were more common in Establishments engaged in Electricity (16.7 percent), Water, sewage, waste management and remediation (9.1 percent), Agriculture, forestry and fishing (7.1 percent) and as shown in the Table 3.3.

Table 3.3 Percentage Distribution of Employment Benefits Received by Temporary Staff by Industry

Industry	Allowances	Gratuity	Pension	Lump sum	Any other	Number of Establishments
Agriculture, forestry and Fishing	28.6	0.0	0.0	7.1	7.1	14
Mining and Quarrying	27.3	9.1	9.1	9.1	0.0	11
Manufacturing	33.5	1.2	1.2	0.6	1.2	167
Electricity	16.7	0.0	0.0	0.0	16.7	12
Water, sewage, waste management and remediation	36.4	9.1	9.1	0.0	9.1	11
Construction	28.4	4.1	0.0	1.4	2.7	74
Trade	13.1	0.0	0.8	0.0	2.5	244
Transport and Storage	15.1	0.0	1.4	1.4	4.1	73
Accommodation and food services activities	23.3	0.8	2.6	0.4	2.3	266
Information and Communication	32.9	1.3	2.5	0.0	2.5	79
Finance and Insurance activities	18.6	0.9	1.2	0.3	3.4	322
Real estate activities	25.0	0.0	0.0	0.0	0.0	12
Professional, scientific and technical activities	15.2	0.9	1.9	0.0	2.8	211
Administrative and support service activities	24.1	2.5	3.8	1.3	0.0	79
Public administration and defense; compulsory social security	28.6	0.0	0.0	0.0	3.6	28
Education	28.6	0.9	1.6	0.4	2.6	1014
Human Health and Social work activities	27.5	1.7	3.8	0.0	2.5	236
Arts, entertainment and recreation	20.8	4.2	8.3	0.0	0.0	24
Other services activities	37.0	2.2	10.9	2.2	0.0	46
Activities of extraterritorial organisations and bodies	60.0	0.0	20.0	0.0	0.0	10
Total	**24.8**	**1.1**	**2.1**	**0.4**	**2.6**	**2933**

3.2.3 Benefits offered to Permanent Employees by Legal Ownership

Provision of allowances was most common among Private limited liability companies (72.7 percent), Public limited liability companies (76.0 percent) and Religious organisations (74.2 percent). Parastatals, Government and Joint Government institutions had the largest number of establishments offering gratuity with 74.2 percent, 27.1 percent and 25.0 percent respectively.

Establishments providing pension to their employees were mainly Joint Government (66.7 percent), Government (53.4 percent) and Public limited liability (20.0 percent) while arrangements for lump sum mainly among Parastatals (17.6 percent), Joint Government (8.3 percent) and Cooperatives (7.1 percent) as shown in Table 3.4

Table 3.4 Percentage Distribution of Employment Benefits to Permanent Employees by Legal Ownership

Ownership	Allowance	Gratuity	Pension	Lump sum	Any other	Number of Establishments
Sole Proprietor	62.1	6.8	2.3	2.1	6.6	618
Partnership	62.5	8.2	5.4	2.5	7.3	317
Private limited	72.7	6.3	6.6	3.4	11.8	1,342
Public Limited	76.0	6.0	20.0	6.0	2.0	50
Statutory Corporation	66.7	22.2	11.1	0.0	33.3	9
Parastatal	52.9	41.2	11.8	17.6	5.9	17
Government	67.0	27.6	53.4	4.1	11.8	221
Cooperative	59.5	9.5	14.3	7.1	9.5	42
Joint Government	58.3	25.0	66.7	8.3	0.0	12
Religious	74.2	8.9	11.3	0.8	8.1	124
NGO	54.5	16.9	0.0	5.8	12.3	154
Not stated/ Unknown	52.4	0.0	14.3	0.0	0.0	21
Not Registered	66.7	0.0	0.0	0.0	16.7	6
Total	**67.6**	**9.2**	**9.6**	**3.3**	**9.8**	**2,933**

3.2.4 Benefits offered to Temporary Employees by Legal Ownership

For temporary employees, allowances, gratuity and pensions are largely offered by joint government entities (75 percent,33.3 percent and 25.0 percent respectively) while lumpsum payments were largely offered by parastatals (5.9 percent) as shown in Table 3.5.

Table 3.5 Percentage Distribution of Employment Benefits to Temporary Employees by Legal Ownership

Ownership	Allowance	Gratuity	Pension	Lump sum	Any other	Number of Establishments
Sole Proprietor	19.9	1.3	0.6	0.6	2.3	618
Partnership	25.6	0.6	1.6	0.3	1.9	317
Private limited	22.9	0.6	1.9	0.4	3.0	1342
Public Limited	32.0	0.0	0.0	0.0	0.0	50
Statutory Corporation	33.3	0.0	11.1	0.0	0.0	9
Parastatal	17.6	5.9	5.9	5.9	0.0	17
Government	36.2	2.3	3.6	0.0	0.0	221
Cooperative	16.7	2.4	2.4	0.0	16.7	42
Joint Government	75.0	33.3	25.0	0.0	8.3	12
Religious	29.8	1.6	8.1	0.0	1.6	124
NGO	33.8	0.6	1.3	1.3	2.6	154
Not stated/ Unknown	19.0	0.0	0.0	0.0	4.8	21
Not Registered	66.7	0.0	0.0	0.0	0.0	6
Total	**24.8**	**1.1**	**2.1**	**0.4**	**2.6**	**2,933**

3.2.5 Benefits offered to Permanent Employees by Employment Size

The highest number of establishments were those employing between 10-49 persons. However, allowances were mainly provided by establishments employing between 50-99 persons while Gratuity, Pension, Lumpsum and Any Other benefits were those employing more than 100 persons as shown in Table 3.6.

Table 3.6 Percentage Distribution of Employment Benefits offered to Permanent Employees by Employment size

Employment Size	Allowance	Gratuity	Pension	Lump sum	Any other	Number of Establishments
Less than 10	61.4	4.4	2.9	1.9	7.6	872
10 to 49	69.5	11.0	12.6	3.4	10.1	1,214
50 to 99	74.4	11.8	16.4	3.8	10.9	238
100+	73.1	24.4	16.8	8.6	22.8	197
Not Reported	0.0	0.0	0.0	0.0	0.0	412
Total	**58.0**	**8.4**	**8.5**	**2.9**	**8.9**	**2,933**

3.2.6 Benefits offered to Temporary Employees by Employment Size

Establishments employing between 50-99 persons had the highest percentage of those providing Allowances and Pension benefits to their employees. On the other hand, Gratuity, Lumpsum and Any Other benefits were mainly provided by establishments employing more than 100 persons, as shown in Table 3.7.

Table 3.7 Percentage distribution of Benefits offered to Temporary Employees by Employment size

Groups	Allowance	Gratuity	Pension	Lump sum	Any other	No of Establishments
Less than 10	15.1	0.3	0.5	0.1	1.9	872
10 to 49	30.6	1.3	2.6	0.6	2.9	1,214
50 to 99	37.0	2.1	5.9	0.4	3.8	238
100+	36.5	3.6	4.6	1.5	4.6	197
Not Reported	0.0	0.0	0.0	0.0	0.0	412
Total	**22.6**	**1.1**	**2.0**	**0.4**	**2.4**	**2,933**

3.2.7 Benefits to Permanent Employees by Years of Existence

Allowances were mainly provided by establishments that were more than 20 years. Gratuity and Lumpsum were mostly provided by Establishments that were more than 50 years while Pension and Any other benefits were mainly provided by Establishments that were between 40-49 years as shown in Table 3.8.

Table 3.8 Percentage distribution Benefits to Permanent Employees by Years of Existence

Years of Existence	Allowance	Gratuity	Pension	Lump sum	Any other	No of Establishments
1 to 9	65.1	5.3	9.0	4.0	1.3	1,440
10 to 19	69.1	10.3	9.6	8.5	4.0	822
20 to 29	70.6	14.7	13.7	9.5	7.2	306
30 to 39	70.3	14.4	9.0	23.4	3.6	111
40 to 49	72.6	14.5	17.7	29.0	12.9	62
50+	71.4	19.3	8.3	42.2	5.2	192
Total	**67.6**	**9.2**	**9.8**	**9.6**	**3.3**	**2,933**

3.2.8 Benefits to Temporary Employees by Years of Existence

Allowances, Gratuity and Pension were mainly provided by Establishments that had existed for more than 50 years while Lumpsum and any other benefit were mostly provided by Establishments that had existed between 40 and 49 years as shown in Table 3.9.

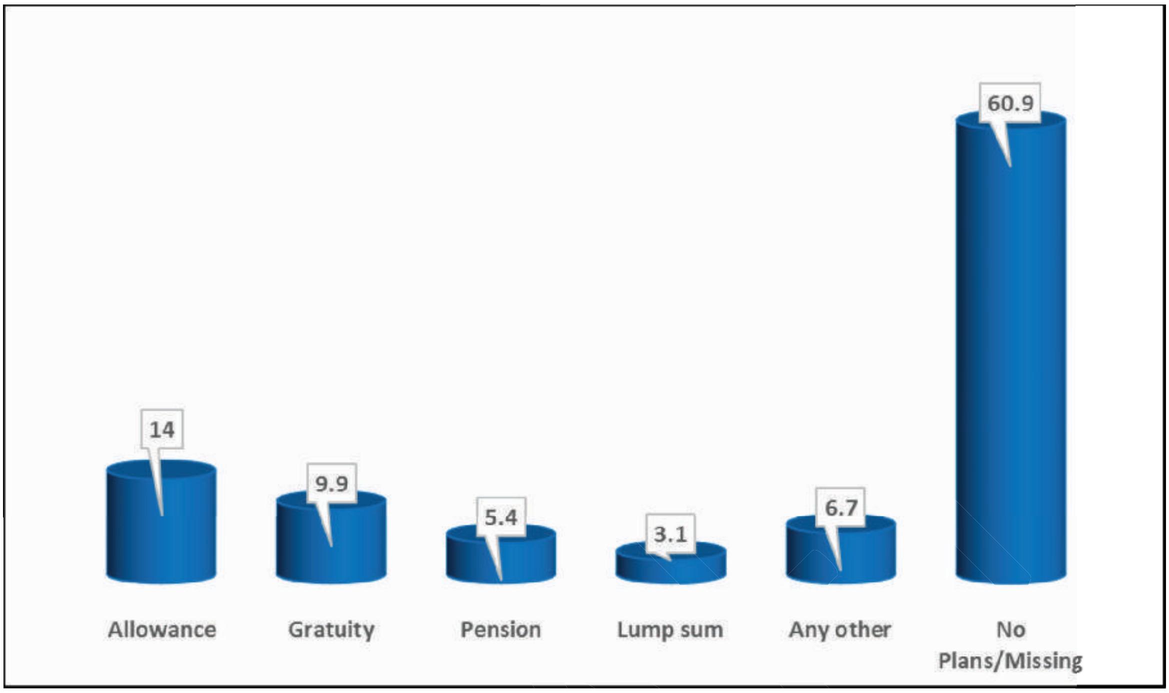
Table 3.9 Percentage Distribution of Benefits to Temporary Staff by Years of Existence

Years of Existence	Allowance	Gratuity	Pension	Lump sum	Any other	Number of Establishments
0 to 9	20.3	0.8	1.1	0.3	2.3	1,440
10 to 19	27.7	1.1	2.3	0.6	2.7	822
20 to 29	25.8	2.0	2.6	0.7	3.3	306
30 to 39	32.4	1.8	2.7	0.0	2.7	111
40 to 49	32.3	0.0	1.6	1.6	6.5	62
50+	36.5	2.1	7.3	0.5	1.6	192
Total	**24.8**	**1.1**	**2.1**	**0.4**	**2.6**	**2,933**

3.3 Plans to offer Benefits by Establishments

Out of the 2933 establishments in the survey, 31.7 percent had plans to provide benefits to their employees. Further disaggregation indicated that 14.0 percent had plans to offer allowances, 9.9 percent Gratuity, 5.4 percent Pension and 6.7 percent for any-other benefits as shown in Figure 3.1

Figure 3.1 Percentage Distribution of Plans by Establishments to offer Benefits by Establishments



3.3.1 Plans to offer Benefits by Industry

Plans to offer Allowances were mainly Establishments engaged in Real estate activities (25.0 percent), Professional, scientific and technical activities (23.2 percent), Public administration and defense as well as Establishment required to subscribe to the compulsory social security (21.4 percent). Establishments with plans to offer Gratuity were mainly engaged in Water, sewage, waste management and remediation (18.2 percent) and Manufacturing (18.0 percent) as shown in Table 3.10.

Table 3.10 Percentage Distribution of Plans by Establishments to offer Benefits by the Industry

Industry	Allowance	Gratuity	pension	Lump sum	Any other	None	Establishments
Agriculture, forestry and Fishing	14.3	14.3	7.1	0	0	78.6	14
Mining and Quarrying	18.2	9.1	0	0	9.1	63.6	11
Manufacturing	19.2	18.0	4.8	4.2	3	58.7	167
Electricity	16.7	0	0	0	8.3	83.3	12
Water, sewage, waste management and remediation	18.2	18.2	0	0	0	81.8	11
Construction	12.2	4.1	1.4	1.4	12.2	66.2	74
Trade	13.1	8.6	3.3	4.1	7.4	68.9	244
Transport and Storage	12.3	4.1	1.4	1.4	5.5	69.9	73
Accommodation and food services activities	13.2	11.7	5.3	0.8	3.8	72.6	266
Information and Communication	10.1	1.3	5.1	5.1	15.2	63.3	79
Finance and Insurance activities	16.8	8.4	6.2	2.8	6.5	63.7	322
Real estate activities	25.0	8.3	8.3	8.3	16.7	58.3	12
Professional, scientific and technical activities	23.2	10.4	1.4	3.8	6.2	61.1	211
Administrative and support service activities	8.9	5.1	5.1	3.8	8.9	75.9	79
Public administration and defense; compulsory social security	21.4	14.3	14.3	0	0	60.7	28
Education	13.3	11	7.2	3.6	7.5	69.3	1,014
Human Health and Social work activities	7.6	8.1	4.2	2.1	7.2	75.4	236
Arts, entertainment and recreation	4.2	4.2	0	4.2	0	83.3	24
Other services activities	10.9	10.9	8.7	2.2	2.2	71.7	46
Activities of extraterritorial organisations and bodies	10	20	10	10	0	50.0	10
Total	**14**	**9.9**	**5.4**	**3.1**	**6.7**	**68.3**	**2,933**

3.3.2 Plans to offer Benefits by Years of Existence

Plans to offer Allowances and Gratuity were mainly among Establishments which had existed for 40 years and above and those between 10-29 years respectively. On the other hand, plans to provide Pension and Lump sum mostly among establishments that had existed between 40-49 years and 20-29 years respectively as shown in Table 3.11.

Table 3.11 Percentage distribution of Plans by Establishments to offer Benefits by Years of Existence

Years of Existence	Allowance	Gratuity	Pension	Lump sum	Any Other	No Plan	No.	No. of Establishments
0 -9	15.1	9.8	6.0	2.6	6.6	67.8	218	1,440
10 -19	12.3	11.2	4.6	3.6	7.8	66.8	101	822
20- 29	13.7	10.5	4.6	5.6	5.2	69.6	42	306
30 - 39	9.0	9.9	4.5	0.9	4.5	71.2	10	111
40 - 49	16.1	9.7	8.1	3.2	4.8	74.2	10	62
50+	16.1	4.7	4.2	1.0	7.3	72.4	31	192
Total	**14**	**9.9**	**5.4**	**3.1**	**6.7**	**68.3**	**412**	**2,933**

3.3.3 Plans to offer Benefits by Employment size

Plans to offer allowances, Gratuity, Pension and Lump sum were mainly among Establishments employing more than 50 persons as shown in Table 3.12.

Table 3.12 Percentage distribution of Plans by Establishments to offer Benefits by Employment Size

Employment size	Allowance	Gratuity	Pension	Lump sum	Any other	None	No. of Establishments
00-10	14	5.8	3.8	1.9	6.2	71.6	872
10 - 49	14.1	11.2	6.3	3.3	7.3	68.1	1,214
50 - 99	18.1	18.5	8.4	5	6.7	55.5	238
100+	17.8	15.7	6.1	6.1	7.6	59.9	197
Missing	0	0	0	0	0	0	412
Total	**14.7**	**10.4**	**5.6**	**3.2**	**6.9**	**67.5**	**2,933**

3.4 Summary

Generally, most establishments offered allowance and these were mainly offered by those engaged in Mining and Quarrying, Activities of extraterritorial organizations and bodies and Education. Allowances were mainly provided by Establishments that have existed for more than 20 years employing between 50-99 persons.

Gratuity, Pension and Lumpsum were mainly provided by Establishments employing more than 100 persons and have existed for more than 40 years.

CHAPTER FOUR | RETIREMENT BENEFIT SCHEMES

4.1 Introduction

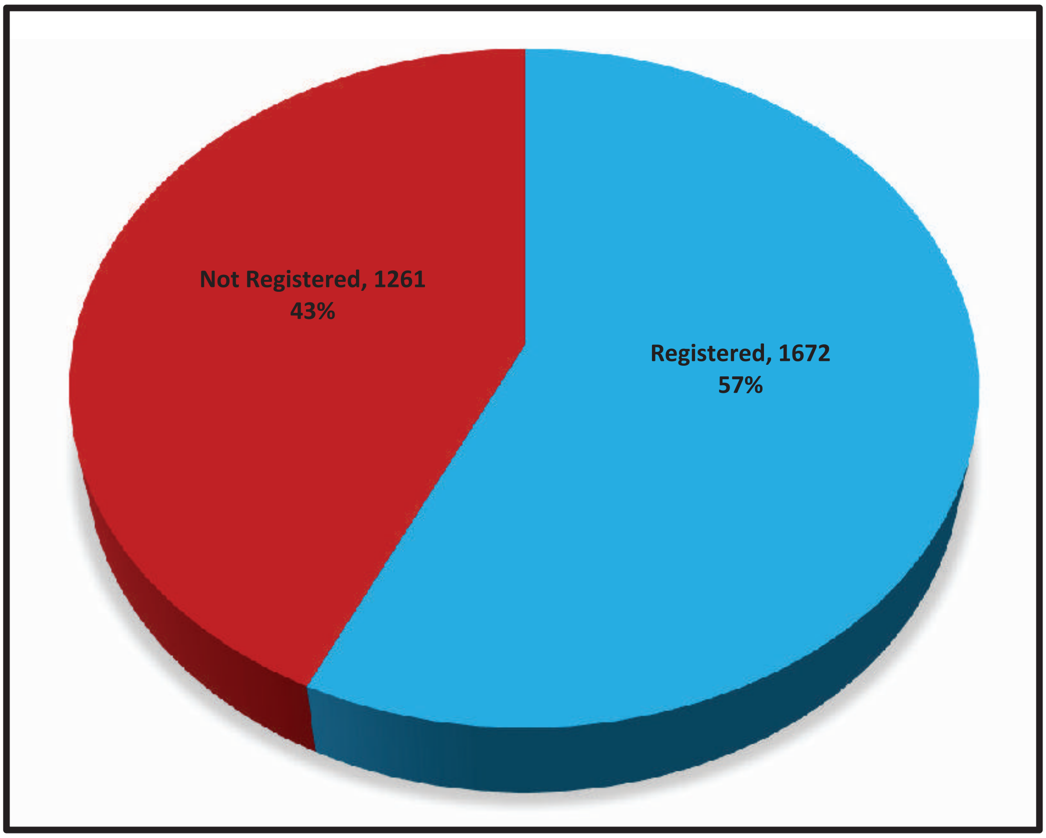
This chapter presents findings about establishments that have Various Retirement Benefits Schemes in Uganda. These schemes could be Mandatory or Voluntary. These arrangements were analyzed by industry, age and employment status.

The principle method for governing Retirement Benefit Schemes is trust law which enables assets to be managed by the trustees for the benefit of members.

4.2 Establishments Registered with National Social Security Fund (NSSF)

Overall the finding revealed that 57percent of all establishments covered were registered with the NSSF, as shown in the Figure 4.1 below.

Figure 4.1 Distribution of Establishments Registered with NSSF



4.2.1 Registration with NSSF by Industry

Analysis by Industry indicated that the Education sector had the highest number of Establishments registered with NSSF (504) followed by Human Health and Social work activities (126), Finance and Insurance activities (236), Trade (145) and Manufacturing (103) as shown in Table 4.1.

Table 4.1 Registration with NSSF by Industry

Industry	YES	%	NO	%	No. of Establishments
Agriculture, forestry and Fishing	5	35.7	9	64.3	14
Mining and Quarrying	7	63.6	4	36.4	11
Manufacturing	103	61.7	64	38.3	167
Electricity	11	91.7	1	8.3	12
Water, sewage, waste management and remediation	11	100	0	0	11
Construction	44	59.5	30	40.5	74
Trade	145	59.4	99	40.6	244
Transport and Storage	49	67.1	24	32.9	73
Accommodation and food services activities	129	48.5	137	51.5	266
Information and Communication	57	72.2	22	27.8	79
Finance and Insurance activities	236	73.3	86	26.7	322
Real estate activities	7	58.3	5	41.7	12
Professional, scientific and technical activities	95	45	116	55	211
Administrative and support service activities	54	68.4	25	31.6	79
Public administration and defense; compulsory social security	24	85.7	4	14.3	28
Education	504	49.7	510	50.3	1,014
Human Health and Social work activities	126	53.4	110	46.6	236
Arts, entertainment and recreation	12	50	12	50	24
Other services activities	34	73.9	12	26.1	46
Activities of extraterritorial organisations and bodies	8	80	2	20	10
Total	**1661**	**56.6**	**1272**	**43.4**	**2,933**

4.2.2 Registration with NSSF by Employment Size

Out of the 2,666 Establishments which were eligible to make mandatory contributions to the NSSF (i.e., Establishments employing five or more persons), only 58.8 percent were registered. However, 34.1 percent of Establishments employing less than five persons were making voluntary contributions to NSSF.

Table 4.2 Distribution of Establishments Registered with NSSF of by Employment size

Employment size	Yes	%	No	%	No. of Establishments
Less than 5	91	34.1	176	65.9	267
5 to 9	229	37.9	376	62.1	605
10 to 49	737	60.7	477	39.3	1,214
50 to 99	208	87.4	30	12.6	238
100+	179	90.9	18	9.1	197
Not reported	0	0.	0	0	412
Total	**1,661**	**56.6**	**1,272**	**43.37**	**2,933**

4.3 Voluntary Retirement Benefits Schemes (VRBS) by Establishment

This section presents findings on establishments with VRBS according to industry, years of existence of the establishment and by employment size.

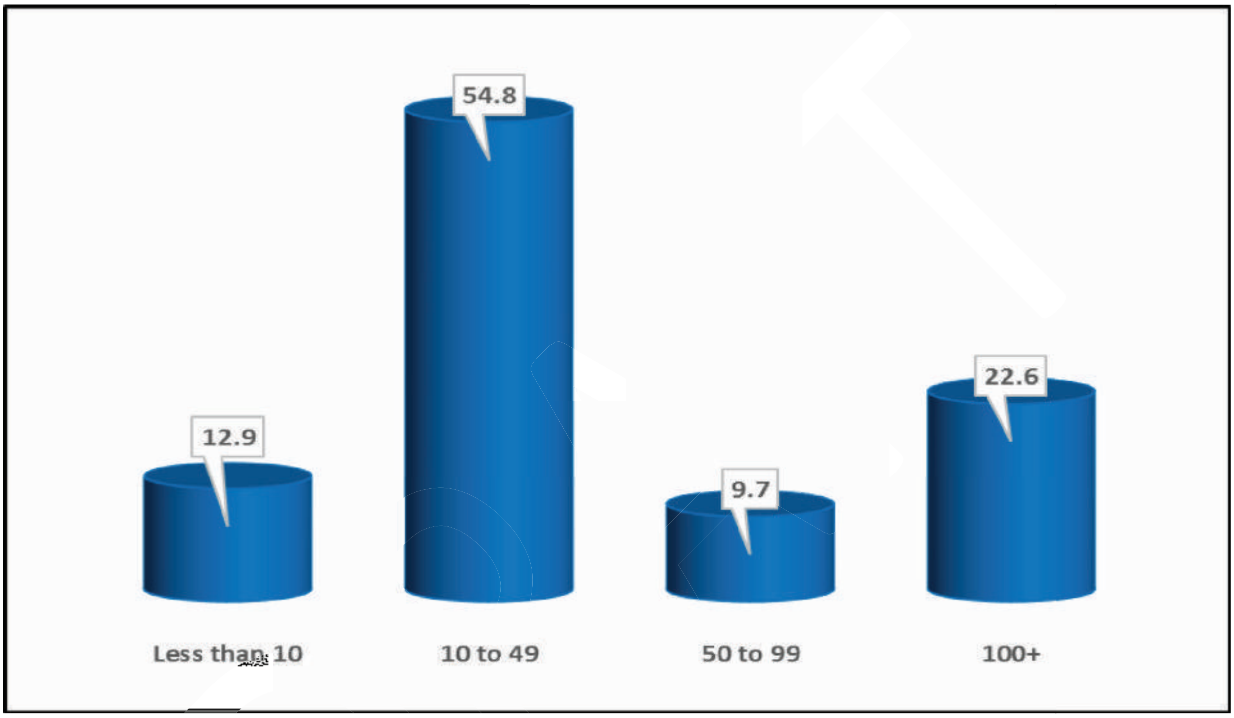
4.3.1 Distribution of the VRBS by establishments

The findings revealed that 1% percent of the establishments surveyed had VRBSs.
These establishments were being managed as Provident Funds.

4.3.2 VRBS by Employment size

Findings showed that Establishments employing between 10-49 employees had the highest number of VRBS (accounting for 55 percent) followed by establishments with more than 100 employees (23 percent). However, Establishments with 50-99 employees accounted for the lowest number of VRBSs as shown in Figure 4.2.

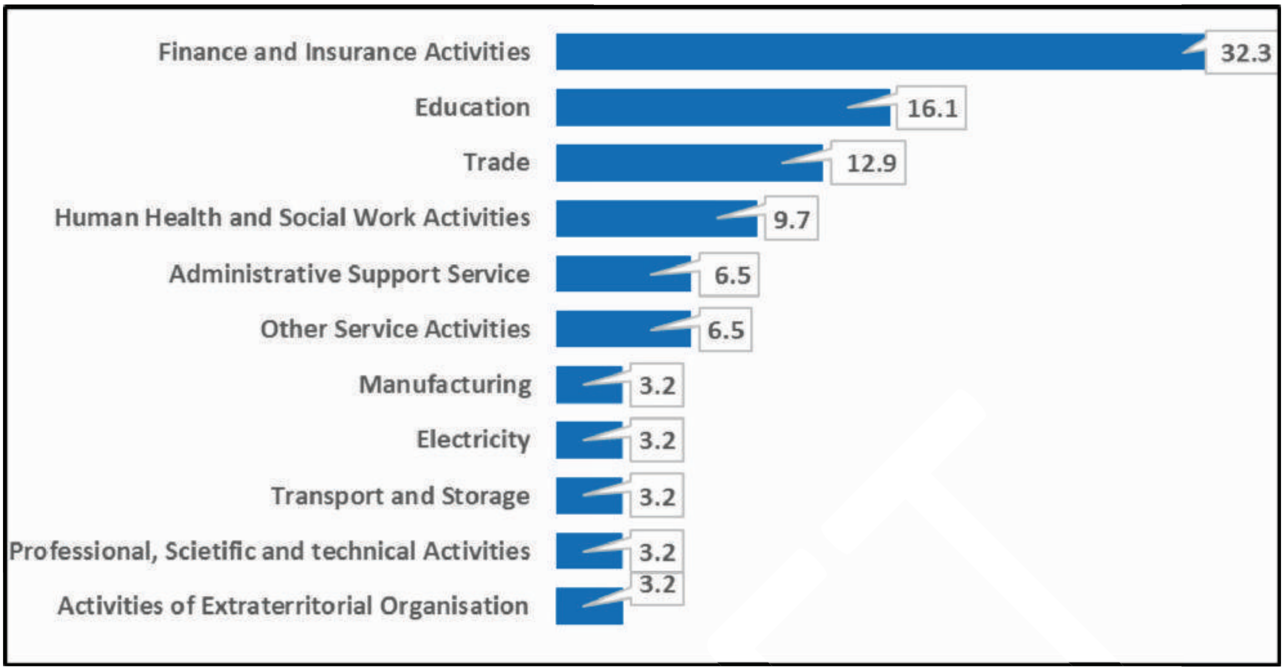
Figure 4.2 Percentage Distribution of VRBS by Employment size



4.3.3 Distribution of the VRBS by Industry

The highest number of establishments registered for Voluntary Retirement Benefit Schemes were in Finance and Insurance activities (32.3 percent) followed by Establishments in Education with 16.1 percent while Establishments involved extra-territorial organisation activities registered the lowest with 3.2 percent as shown in Figure 4.3

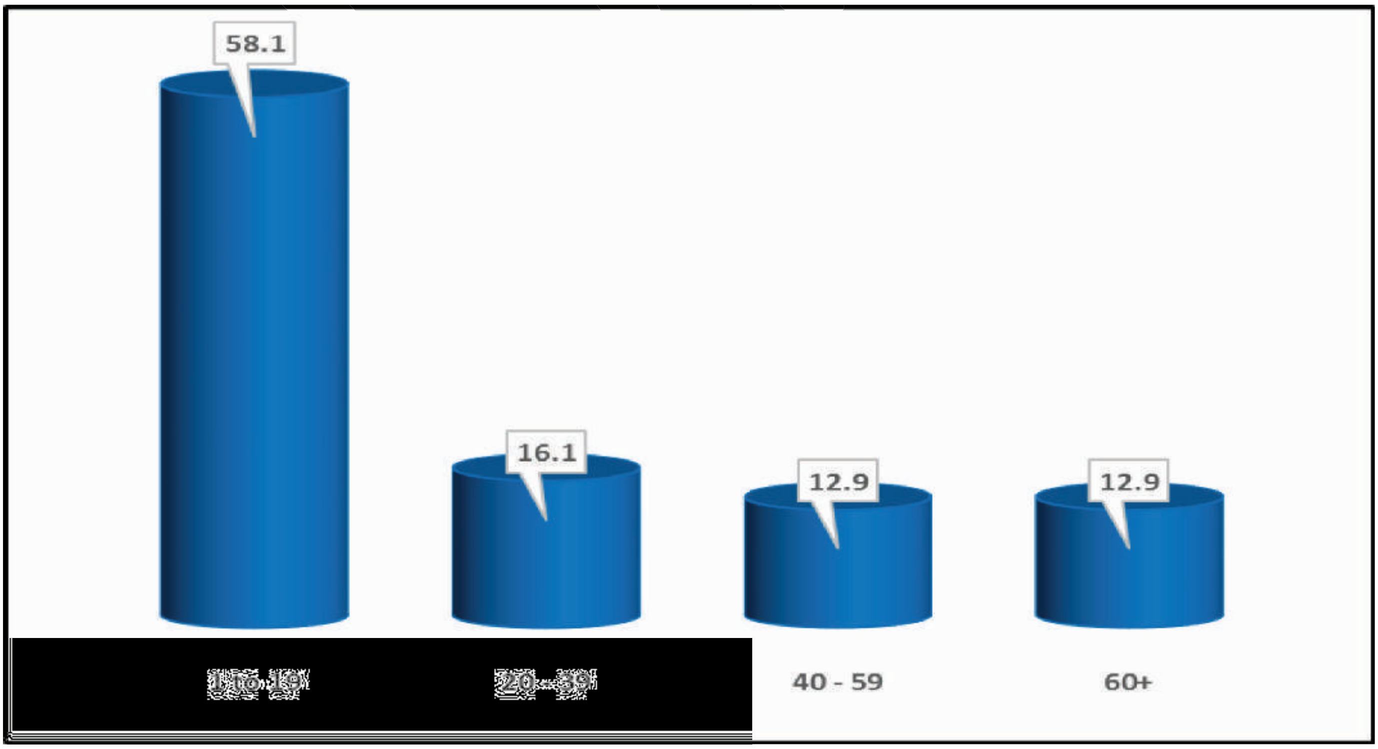
Figure 4.3 Percentage Distribution of VRBS by Industry



4.3.4 Distribution of the VRBS by Years of Existence

Fifty eight percent of Establishments with VRBS were less than 19 years old followed by those with between 20 to 39 years old. However, the findings noted that Establishments with more than 60 years old accounted for only 13 percent of Establishments with VRBS as shown in Figure 4.4.

Figure 4.4 Percentage distribution of VRBS by Year of Existence

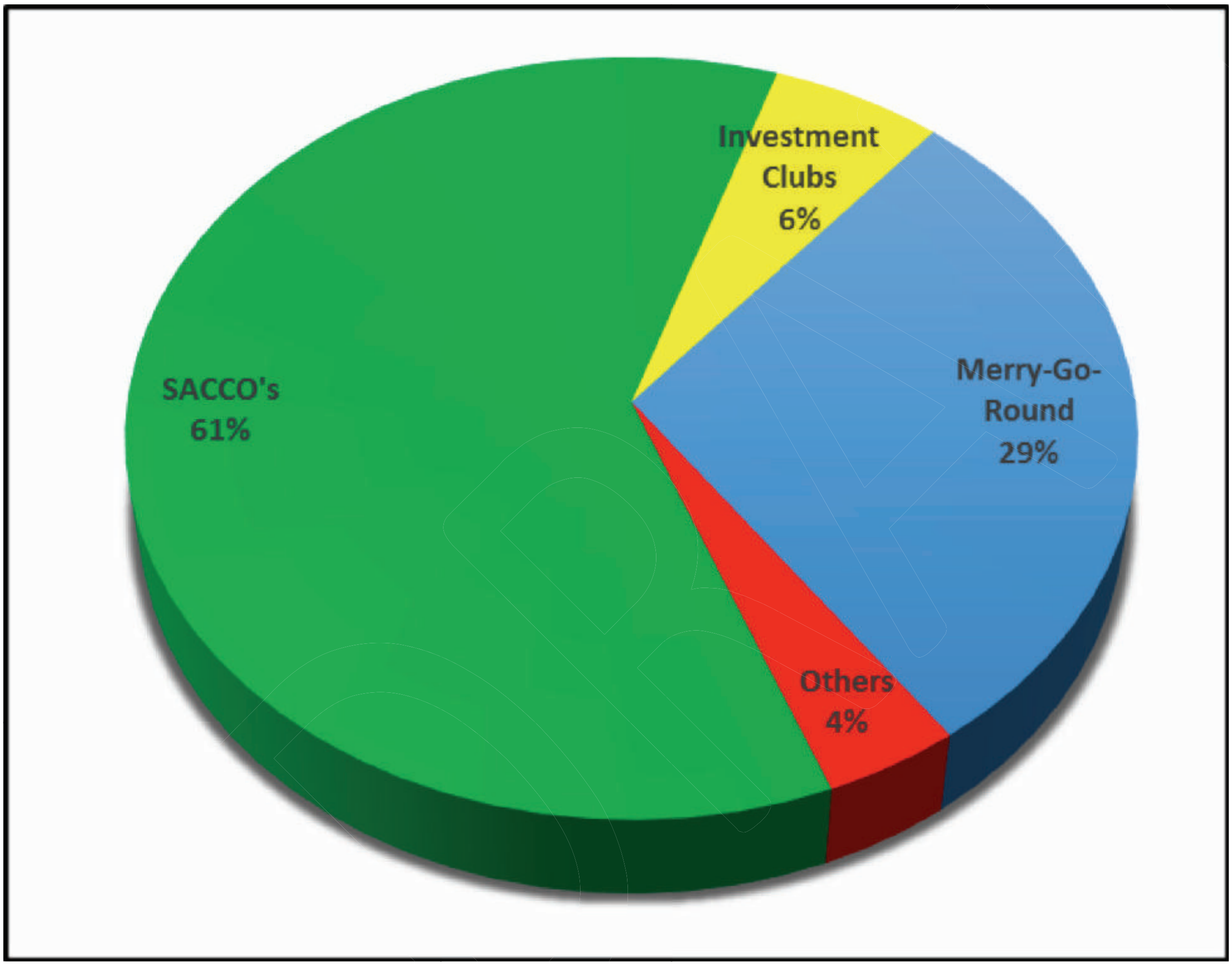


4.4 Employee Savings

The study sought to establish the mode of saving from the establishments that said had operated Staff Savings arrangements. Overall 38 percent of the establishments interviewed reported that they operated Staff Savings Schemes.

Among the establishments with Staff Savings Schemes, the majority 61 percent operated Savings and Credit Cooperative Organizations (SACCOs), while Merry go Rounds 29 percent and Investment Club savings method was 6 percent of establishments as shown in Figure 4.5.

Figure 4.5 Distribution of Establishments by type of saving arrangements



SACCOs and Circles were most common among establishments engaged in Finance and Insurance, Education and Manufacturing as shown in table 4.3.

Table 4.3 Percentage distribution of type of Saving Scheme by Industry

Industry	SACCO	Investment	Circle	Others	Total
Agriculture, fishing and Forestry	0.6	-	-	-	0.4
Mining and Quarrying	0.3	-	0.3	-	0.3
Manufacturing	3.5	3.2	7.2	-	4.4
Electricity	0.9	-	-	-	0.5
Water, sewage,	0.3	-	0.6	-	0.4
Construction	1.2	3.2	1.3	2.2	1.4
Trade	4.8	9.7	11.3	11.1	7.2
Transport and Storage	2.6	1.6	0.9	2.2	2.1
Accommodation a	5.9	3.2	10.6	4.4	7.0
Information an	2.6	3.2	3.1	8.9	3.1
Finance and Insurance	12.4	19.4	10.3	6.7	12.0
Real estate ac	-	-	-	2.2	0.1
Professional	3.7	9.7	1.9	2.2	3.4
Administrative	1.2	3.2	0.9	-	1.2
Public administration	1.3	1.6	0.6	-	1.1
Education	48.7	33.9	40.3	53.3	45.6
Human Health a	7.6	4.8	8.4	6.7	7.7
Arts, entertainment	0.2	1.6	1.3	-	0.5
Other services	1.8	1.6	0.6	-	1.4
Activities of	0.6	-	0.3	-	0.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

4.5 Distribution of Savings Schemes by Employment Size

Further disaggregation of Savings Schemes by Employment Size indicates that Establishments employing less than 10 employees had other forms of savings scheme while those with over 100 employees had a SACCO savings arrangements, accounting for 25 and 16.7 percent of establishment respectively. Analysis found that the Investment club type of savings arrangements were only found in establishments employing between 10-49 employees while Merry Go Round (Circle), SACCO type of savings mode was dominant amongst employees in the same employment size cohort.

Table 4.4 Distribution of type of Savings Scheme by Employment Size

Employment Size	SACCO	Investment Clubs	Circle	Others	Total
Less than 10	21.9	21.4	28.4	12.8	23.5
10 to 49	50.6	62.5	57.4	61.5	53.9
50 to 99	15.9	12.5	7.6	15.4	13.1
100+	11.5	3.6	6.6	10.3	9.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

4.6 Type of Savings Scheme by Age of Establishment

The distribution of the Savings schemes shows that for all types of saving scheme Establishments with in the age bracket 1-19 were the most dominant. However for this age group "Merry-Go-Round" or the Circle represented by 79.4%.

For Establishments in other age groups SACCOs appears to be most common type of savings scheme as shown in Figure 4.5

Table 4.5 Distribution of type of Savings Scheme by Age of Establishment

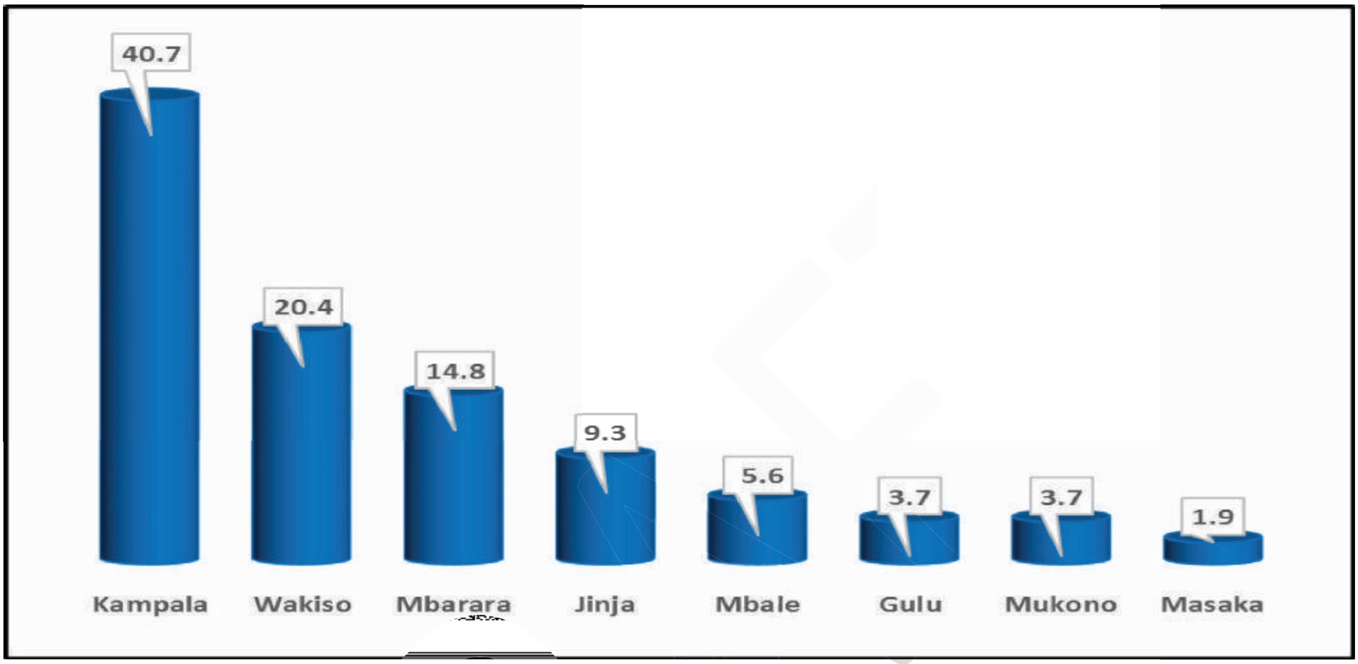
Age (Yrs)	SACCO	Investment	Circle	Others	Total
1 to 19	67.1	75.8	79.4	64.4	71.0
20 to 39	19.6	16.1	12.8	20.0	17.5
40 to 59	6.3	4.8	3.4	2.2	5.2
60+	6.6	3.2	3.4	13.3	5.8
Missing	0.4	-	0.9	-	0.5
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

4.7 Establishments with Potential to form VRBS

The survey also identified Establishments with potential to form VRBS. Establishments with potential to form a VRBS were derived as establishments providing gratuity, at least three allowances, had a SACCO and had been in existence for more than five years.

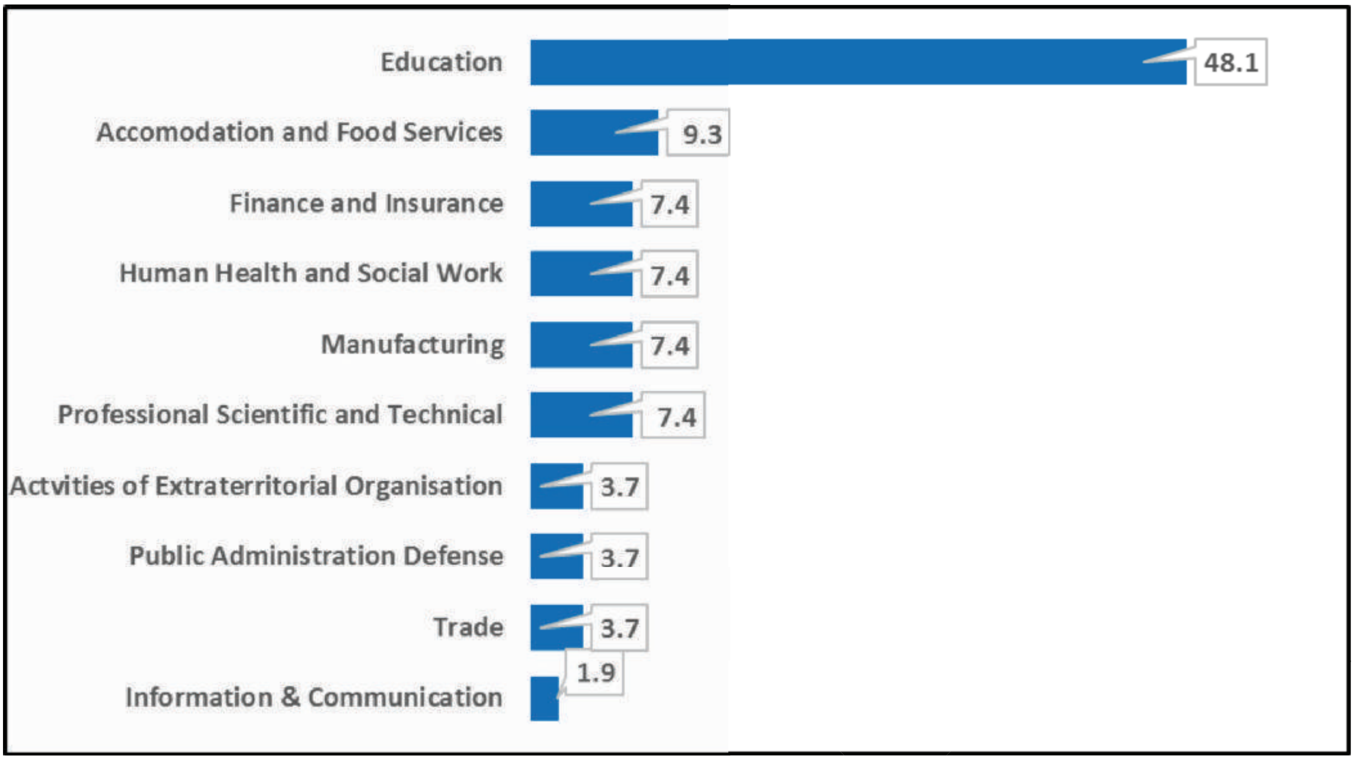
The findings noted that 2.0 percent (54 establishments) of the total surveyed establishments had potential to form a VRBS. Analysis by district noted that Kampala Capital City Authority had the highest number establishments with the said potential (accounting for nearly 41 percent) while Masaka had the lowest with 2.0 percent (Figure 4.6).

Figure 4.6 Establishments with Potential to form VRBS by District



Further disaggregation of Establishments with potential to form VRBS by Industry showed that there were more establishments in Education Sector, accounting for 48 percent, followed by Accommodation and Food Processing with 9 percent as shown in Figure 4.7.

Figure 4.7 Establishments with Potential to form VRBS by Industry



4.8 Rationale for not Establishing VRBS

The survey identified reasons why establishments were offering more allowances than Retirement benefits. It was found that lack of resources (36.6 percent) was a major factor that hindering establishments from forming VRBS for their employees followed by lack of understanding and/or awareness (23.6 percent) on how retirement plans work as shown in Table 4.6.

Table 4.6 Reasons for not having Retirement plans/ schemes

Reasons for Not having a retirement Scheme	Percentage
Lack of resources/Budget to support a plan and manage its administration.	36.6
Lack of understanding of how plans work and importance of savings for retirement.	23.6
The low wage workers / contract workers would have difficulty in affording regular plan contributions.	14.6
Prioritization of company growth.	10.6
Absence of provision for Retirement Benefit plan in Institutional policy frameworks.	8.9
Lack of trust and confidence in fiduciaries	3.3
Absence of flexibility in the existing regulatory framework.	2.4
Total	**100**

Establishments were also asked what kind of support required to start VRBS. Sensitization of both employers and employees on retirement planning and savings was cited as major support needed to establish VRBS, accounting for 81 percent of all responses.

However, the lowest recommendation was the Review of the existing legislation to extend coverage to both formal and informal sector workers accounting for nearly 1.2 percent as shown in Table 4.7

Table 4.7 Support Required by Establishments to Form VRBS

Recommendations by establishments on forming up retirements schemes	Percentage
Sensitisation of Employers and employees	81.0
Support employers to establish Retirement Benefit Plans	13.1
Enforce compliance with NSSF Act, URBRA Act and established Regulations.	2.4
Review of the existing legislation to extend coverage to both formal and informal sector workers.	1.2
Promote good governance and best practices in administration of Retirement Benefit Schemes	2.4
Total	**100.0**

4.9 Summary of RBS by employment status

Out of the entire 2933 establishments covered 57.1 percent were registered with NSSF. Establishments employing five and above persons that were registered with NSSF accounted for 58.8 percent.

The survey revealed that there were 29 Voluntary Retirement Plans. The Industries with the highest number of plans include Education, Finance and Insurance activities, Human Health and Social work activities and Trade.

CHAPTER FIVE | CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

A total of 2933 establishments were interviewed of which 49.1 percent were less than 10 years old and a majority was engaged in Education activities, accounting for 34.6 percent. Female employees accounted for 40 percent of total employees across all establishments.

Allowances were mainly provided by Establishments that have existed for more than 20 years employing betwen 50-99 persons. Most establishments offered allowance and these were mainly offered by those engaged in Mining and Quarrying, Activities of extraterritorial organisations and bodies and Education.

Out of the entire 2933 establishments covered 57.1 percent were registered with NSSF. Establishments employing five and above persons that were registered with NSSF accounted for 58.8 percent.

Gratuity, Pension and Lumpsum were mainly provided by Establishments employing more than 100 persons and have existed for more than 40 years.

The survey revealed that there were 29 Voluntary Retirement Plans. The Industries with the highest number of plans include Education, Finance and Insurance activities, Human Health and Social work activities and Trade. Employers provided various reasons why they offer different types of employment benefits.

Employers that offer allowances, gratuity and retirement benefit plans view this as a way of motivating, attracting and retaining talent. In addition, provision of benefits is seen as a way of projecting to their workers and other businesses an image of a stable and enduring company.

Findings indicated that Employers prefer to offer allowances because they are flexible and easy to manage especially for employees with short, unstable terms of employment.

On the other hand employers that do not offer retirement benefit plan cited the following reasons;

- Lack of budget for retirement plans for the establishment's contribution.
- Difficulty of low wage workers in affording regular plan contributions.
- Lack of understanding of how plans work and importance of savings.
- Absence of provision in the law for Retirement Benefit plans in Institutional policy frameworks.
- Lack of resources to support a plan and manage its administration.
- Non-compliance with the NSSF Act.
- Prioritization of company growth.
- Absence of flexibility in the existing regulatory framework.
- Lack of trust and confidence in fiduciaries

5.2 Recommendations

Many Ugandans face the prospect of not having retirement savings. The few that are covered are in formal work based retirement benefit schemes which are not suitable for short term employment, informal sector workers, self-employed professionals and workers in small and medium sized enterprises.

To address this issue the following are recommended:

1. Sensitize both employers and employees about retirement planning, savings and existence of Retirement Benefits Sector Regulator.
2. Encourage and support employers to establish Retirement Benefit Plans
3. Enforce compliance with NSSF Act, URBRA Act and established Regulations.
4. Review of the existing legislation to extend coverage to both formal and informal sector workers.
5. Promote good governance and best practices in administration of Retirement Benefit Schemes.

APPENDICES

Appendix A: Persons involved in the 2016, EBS

Steering Committee

- Imelda Atai Musana
- Peter Opio
- Rita Faith Nansasi Wasswa
- Benjamin Mukiibi

Technical Working Committees

- Benjamin Mukiibi
- Cosmas Ssenyonga
- Rita Faith Nansasi Wasswa
- Paul Okudi
- William Anguyo
- Alphonse E. Okurut
- Anguzu James
- David Ssenyonjo
- Brian Mauso

Statistics Quality Assurance

- Ronald Ssombwe
- Alfred Geresom Musamali

Appendix B: List of Enumerators

SN	NAME	SEX
1	Kwiseria George	M
2	Oluma Rodrick	M
3	Akatukunda Joy	F
4	Sebaggala Edward	M
5	Baluka Solome Dorah	F
6	Nakagulire Patricia Pauline	F
7	Nuwamanya Gadson	M
8	Anguzu Odama Simon Peter	M
9	Adolon Robert	F
10	Osinya Doreen Winnie	F
11	Joseph Serunyange	M
12	Achoma Robinah Kaima	F
13	Abura Morris	M
14	Iryamwiza Janet	F
15	Nanyombi Christine	F
16	Wasswa Allan Joshua	M
17	Kedi Joseph	M
18	Kataike Susan	F
19	Segane Herbert	F
20	Nantunga Alice	F
21	Akello Milly	F
22	Mutebi Fred	M
23	Masinde Dennis	M
24	Namirimu Sumin	F
25	Omella Owen	M
26	Munguryek Rosette	F
	DATA ENTRANTS	
1	Miriam Atuhairwe	F
2	Namara Doreen	F
3	Nabbosa Alice	F
4	Atuhaiwe Mercy	F
5	Kyomugasho Gallen	F
6	Okuyo Justine	M

Appendix C:

Terms of Reference

For the Steering and Technical Working Committees implementing the Employment Benefits Survey

The Technical Working Committee (TWC) will consist of 6 members, 4 from UBOS and 2 from URBRA while the Steering Committee (SC) will also consist of 6 members three from URBRA and three from UBOS.

UBOS will form a Steering Committee (SC), chaired by the Deputy Executive Director for Statistical Production with representatives proposed as follows; three from UBOS and three from URBRA

The role of the Steering Committee will be to:

1) Oversee the general management of the survey;
2) Ensure that activities are implemented within the specified time frame; and
3) Mobilise logistics required for the survey.
4) The Steering Committee will meet regularly but more frequently during the initial stages of the survey.

A Technical Working Committee (TWC) will be formed under the stewardship of UBOS. The terms of reference for the TWC will be to:

1) Develop the general scope of the Employment benefits Survey;
2) Develop and discuss the methodology for the survey;
3) Discuss the work plan for the survey;
4) Provide technical guidance on the development of the survey instruments (questionnaires and manuals);
5) Update the Steering Committee on the progress of the Survey on a monthly basis; and
6) Design the survey instruments and develop various manuals.
7) Ensure that all the data is captured, analyzed and a report available for dissemination

Appendix D:

Employment Benefits Survey Questionaire

STRICTLY CONFIDENTIAL

UGANDA BUREAU OF STATISTICS
"Enhancing data quality and use"

THE REPUBLIC OF UGANDA

EMPLOYMENT BENEFITS SURVEY, 2016

Name of Establishment/Institution/Organisation:								
ID number:								

Dear Sir/Madam

Purpose of the Survey
This survey will generate vital information in formulation of policies to manage employment benefits and also to ensure that all Ugandan have a minimum social safety net.

Authority
The information is collected under the provisions of Uganda Bureau of Statistics Act, 1998.

Confidentiality
The Information provided on this form will remain strictly confidential as per the Uganda Bureau of Statistics Act. It will not be made available to any other person or agency.

For Assistance/Further Information
If you have any difficulties in completing this form, please contact:

Director,
Business and Industry Statistics,
Uganda Bureau of Statistics
Plot 9 Colville Street, Statistics House
P.O Box 7186, Kampala
Telephone: 0414-706016
E-mail: peter.opio@ubos.org

Yours faithfully,
Peter Opio
For: EXECUTIVE DIRECTOR

SECTION 1 : STAFF DETAILS									
No.	**Particulars**	**Code**							
1	Name of Interviewer:								
2	**Date of Interview: (DD/MM/YY)**	D	D	M	M	Y	Y		
3	Name of Supervisor:								
4	**Date of Checking by Supervisor: (DD/MM/YY)**	D	D	M	M	Y	Y		
5	Name of Editor:								
6	**Date of Inspection by Editor: (DD/MM/YY)**	D	D	M	M	Y	Y		
7	**Results of Interview: (Write appropriate code in the space provided)**	**Completed= 1; Partially Done= 2; Not Done= 3**							

SECTION 2: GENERAL INFORMATION ABOUT THE ESTABLISHMENT/INSTITUTION/ORGANISATION

2.1 Identification Particulars				
No. (1)	Particulars (2)		Code (3)	
1	Region			
2	District			
3	County/ Municipality			
4	Sub-county/ Division/ Town Council			
5	Parish/ Ward			
6	Village/ Cell			
7	Plot No			
8	Street Name:			
9	P.O. Box:			
10	Telephone:			
11	Email address:			
12	Name of Contact Person: Telephone No:			
13	**Title of the contact person (Circle the appropriate Code)** Accounting Officer……………………………………….………….....11 Human Resources Manager…..……………………..……….............12 Director……………………………………………………..……...13 Manager…………..……………………………………………..14 Accountant……………..……………………………..………....15 Supervisor…………………………………………….…………...16 Officer………………………………..…………………….……..…17 Other (Specify)……………………………….………………..….......98			

SECTION 3:
BASIC INFORMATION ABOUT THE INSTITUTION

3.1	**What is the main activity of this establishment/Institution/ Organisation or nature of your business? ---------------------------**	**ISIC CODE**			
3.2	**When was this establishment/Institution/ Organisation formed** ***(Year when it started operating)***				

3.3 (a) Please state the Legal Ownership of the establishment/Institution/ Organisation

Ownership Type (1)	**Code (2)**
(Circle the appropriate code)	
Sole Proprietor	1
Partnership	2
Private Limited	3
Public Limited	4
Statutory Corporation	5
Parastatal	6
Government	7
Cooperative	8
Joint Government	9
Religious	10
NGO	11
Not Stated/ Unknown	12
Not Registered	13

3.3 (b) State whether this establishment/Institution/ Organisation is (Circle the appropriate code)
i) Domestic ---------------------------- (1)
ii) Multinational---------------------- (2)

3.4 State the number of staff this Establishment/Institution/ Organisation employed as at **31st December 2015**

Category	**Permanent**	**Temporary**	**Casual labourers**
(1)	(2)	(3)	(4)
Male			
Female			
Total			

3.5 (a) What kind of benefits does this Establishment/Institution/ Organisation Offer/have for its employees? ***(Multi-response—Please circle all applicable codes)***

Category	Permanent	Temporary	Casual laborers
3.5a.1 Salary	1	1	1
3.5a.2 Wages	2	2	2
3.5a.3 Allowances (transport, lunch, education, etc.)	3	3	3
3.5a.4 Gratuity	4	4	4
3.5a.5 Pension	5	5	5
3.5a.6 Lump sum retirement	6	6	6
3.5a.7 Any Other (specify	8	8	8

3.5 (b) which benefits does the Establishment/Institution/ Organisation plan to implement? ***(Multi-response—Please circle all applicable codes)***

Category	Permanent	Temporary	Casual laborers
3.5b.1 Salary	1	1	1
3.5b.2 Wages	2	2	2
3.5b.3 Allowances (Transport, Lunch, Education, etc.)	3	3	3
3.5b.4 Gratuity	4	4	4
3.5b.5 Pension	5	5	5
3.5b.6 Lump sum retirement	6	6	6
3.5b.7 Any Other (specify	8	8	8
3.5b.8 None	9	9	9

4a. Is this Establishment/Institution/ Organisation registered with National Social Security fund **(NSSF)? (Tick where applicable)**

Yes	No
1	2

4(b) Please state any other retirement savings scheme which your employees participate in. (Circle the appropriate) ***(Multiple-response—Please circle all applicable codes)***

Category	Permanent	Temporary	Casual laborers
4b.1 Mandatory Pension Scheme (Other than NSSF)	1	1	1
4b.2 Provident fund	2	2	2
4b.3 Deposit Administration Policy Scheme	3	3	3
4b.4 Umbrella Retirement Benefit Scheme	4	4	4
4b.5 Other (Specify).........................	8	8	8
4b.6 None	9	9	9

4 (c) State the name of the Retirement Savings Scheme? (Answer required for any response in 4b. Please write in the space provided below:

4d. How is the retirement savings arrangement set up/governed? Circle where applicable

		Code
a.	**Act of Parliament.................................**	**1**
b.	**Trust deed...**	**2**
c.	**Deposit Administration Policy Scheme.......**	**3**
d.	**Deed of Adherence ....**	**4**
e.	**Other Specify.....................................**	**8**
f.	**Not Applicable ....**	**9**

5a. Does this Establishment/Institution/ Organisation run/operate a staff saving scheme other than a retirement savings plan? **(Tick where applicable)**

Yes	No
1	2

5b. If Yes in 5a, what category of saving scheme does this Establishment/Institution Organisation operate? Circle where applicable

		Code
i.	**SACCO..**	**1**
ii.	**Investment club..................................**	**2**
iii.	**Circle (Merry go round)..........................**	**3**
iv.	**Other (Specify)..................................**	**8**
v.	**Not Applicable....................................**	**9**

Thank you for your cooperation

Comment from Interviewer:

Remarks by Supervisor:

Interviewers:	
Name:	
Code:	Supervisors: ....
Name:	
Code:	
Signature:	Signature: ....
Date:	Date: ....

Qualitative Questionnaire on Follow-up to Validate Key.

"Hello,
My name is ……………………………………………. I work with the Uganda Bureau of Statistics (UBOS). We are conducting the Employment Benefits retirements survey 2016.

We are visiting establishments' sampled scientifically in selected districts which we had already visited during the month of June and July 2016.

The objective is to validate some of our responses collected about Retirements Benefits and Savings schemes. It takes about 5 minutes to complete the interview. Whatever information you provide will be kept strictly confidential. We would very much appreciate your participation and co-operation in this survey."

Name of Institution: ………………………………………………………………………..........…….
Name and Contact of Person interviewed: ……………………………………………....................…
Position/Title in the Organization: ………………………………………………………................…....
1. Please confirm to us that you have an Employment Benefits Retirement Plan. Yes/No. If yes proceed to Qn 2 if no proceed to Qn 4.

……

…………………………………………………………………………...…

2. Yes in Qn.1, Please specify the type and the Name
(a) Provident, (Specify the name of the provident fund)……………………...............................…….
(b) Deposit Administration Plan - DAP (Specify the name of the DAP) ……..…………………………

……………………………………………………………………………………………………......…..

(c) Umbrella Retirement Scheme (Please specify the name)……………………………….…………

……………………………………………………………………………………….........……………..

3. Do you offer allowances to your employees……………………………….... **Yes/No**
4. Please state the type of allowances provided both Cash and Non cash.

No.	Type of allowance	Tick
1	Lunch	
2	Safari day allowance	
3	Risk	
4	Medical	
5	Funeral	
6	leave	
7	Transport	
8	Telephone	
9	Fuel	
10	Etc. (Specify)	

Hint: Preliminary findings show that, many establishments offer allowance to their employees as compared to Retirement Benefit employment Benefits.

5. In your opinion, why are you offering more allowances and not Retirement plan?

……………………………………………………………………………………………………

……………………………………………………………………………………………………

……………………………………………………………………………………………………

6. Please list the kind of support you would require to start a retirement benefit plan for your employees?

……………………………………………………………………………………………………

……………………………………………………………………………………………………

……………………………………………………………………………………………………

Thank you very much for your corporation

End

Comments from Interviewer:

……………………………………………………………………………………………………

……………………………………………………………………………………………………

……………………………………………………………………………………………………

Signature: ……………………………………………………………………………………

Date: …………………………………………………………………………………………

Steering Committee

Technical Working Committee

EMPLOYMENT BENEFITS BASELINE SURVEY REPORT MARCH 2017

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