

MONTHLY SECTOR BULLETIN

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ISSUE. 4 DECEMBER 2018 - JANUARY 2019



Mr. Andrew Derek Kasirye - URBRA Chairman Board of Director (Left) hands over the URBRA 2018 Employee of the Year award to Mr. Frank Kibukamusoke (Right). Looking on is Mrs. Rosemary Ssenabulya - Board Member and Mr. Dan N. Badebye - Director Finance and Administration.



KIBUKAMUSOKE WINS THE 2018 EMPLOYEE OF THE YEAR AWARD

Frank Kibukamusoke, ICT Officer at the Authority was named Employee of the Year for 2018. The Employee of the Year Award gives the Authority an opportunity to recognize an employee who upholds its values and goes the extra mile to significantly contribute to the achievement of its strategic goals.

Frank's exceptional performance throughout 2018 made him a worthy winner of "URBRA's Employee of the Year award". He was voted for his dependability, innovativeness, honesty, integrity and professional conduct. In addition, he successfully managed a number of projects with great efficiency and determination. He led the development of most of the ICT systems in the Authority.

WHAT'S

INSIDE

About URBRA

- Kibukamusoke wins the 2018 Employee of the Year Award
- Licensed Schemes and Service Providers

Sector Developments

- Saving for Retirement: Prospects for the Informal Sector

Upcoming Events

- **Retirement Seminar for University Students**
Date: February 19th, 2019 @ 8:00 am
Venue: Makerere University, Kampala
- **URBRA Annual Pre-Retirement Seminar**
Date: March 12th, 2019 @ 8:00 am
Venue: UMA Exhibition Hall

CEO's Corner

Questions from stakeholders

...URBRA protecting your savings...





LICENSED SCHEMES **AND** SERVICE PROVIDERS

In line with its supervisory mandate, the Authority published a list of Licensed Schemes and service providers as of January 4th, 2019. They include; 53 Segregated Schemes, 10 Umbrella Schemes (with 131 participating employers), 150 Individual Trustees, 9 Administrators, 7 Fund Managers, 5 Custodians and 3 Corporate Trustees.

All licensed schemes and service providers are expected to comply with the URBRA Act, Regulations and Guidelines. The list of entities licensed can be accessed on the URBRA website.



SAVING FOR RETIREMENT: PROSPECTS FOR THE INFORMAL SECTOR

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Currently, only about 2.4 million (14%) of Uganda's workforce is covered by National Social Security Fund, Public Service Pension Scheme, Parliamentary Pension Scheme, Supplementary Voluntary Occupational Schemes and Supplementary Voluntary Individual Schemes.

Coverage is low mainly because the current retirement benefits system was designed to cover workers in formal employment. According to UBOS (2017), Uganda's informal sector accounts for more than 86% of the country's total workforce. 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.

To address this challenge, the Authority is developing a regulatory framework to cater for this section of the community. The framework is expected to deliver an appropriate design, products and operational features that will attract low income earners.

A number of considerations will therefore be critical if a viable framework for the informal sector is to be successful. These include: product design, governance, financial literacy and reliable information about client groups.

CEO's Corner



Mr. Martin Anthony Nsubuga
Ag. Chief Executive Officer

What should Trustees do to ensure that Scheme Risks are minimized?

Trustees must pay attention to risks on the horizon. They must be proactive if they are to fulfil their duties. Too often, trustees are not sufficiently aware of their obligations.

They are obliged to fulfil the terms of the trust deed and scheme rules. In doing so, they must make operational and investment decisions that ensure the best outcomes for scheme members. Given that they are entrusted with scheme's assets, they owe fiduciary duties to members.

Questions from Stakeholders

As fiduciaries, they have the duty to act honestly and in good faith, act with due care, skill and diligence, avoid conflicts of interests, and not to profit from the scheme.

What changes are going to be introduced by the proposed Public Service Pension Scheme (Amendment) Bill?

The Public Service Pension scheme operates as an Unfunded Defined Benefit Scheme. Government makes annual budget provisions for this, however there has been delay in payments raising concerns about the long term sustainability of the scheme.

The proposed Public Service Pension Scheme (Amendment) Bill once passed will make the scheme contributory where government and public servants make contributions, enable accumulation of assets which will facilitate timely payment of benefits.

URBRA has been in operation for over 5 years but coverage has not increased. Is the Authority really delivering on its mandate?

No, it is not true that coverage has not increased. Sector coverage is currently at about 14% of the total workforce compared to the 6% coverage when we started operations.

It is important to note that our primary mandate is to regulate and supervise the establishment, management and operation of Retirement Benefits Schemes. Our initial years of operation were focused on building capacity in the technical aspects of the functioning of the Authority. We have been able to strengthen our supervisory framework, including stronger monitoring of conduct and performance of sector players.

However, increasing coverage is one of our strategic priorities. In fact, we are developing a regulatory framework to increase participation of informal sector workers.



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This Monthly Publication is meant to keep stakeholders informed about the work of the Authority, best practice in Scheme governance, administration and sector developments. It also provides a Platform for the Chief Executive Officer to respond to stakeholders' questions and concerns.