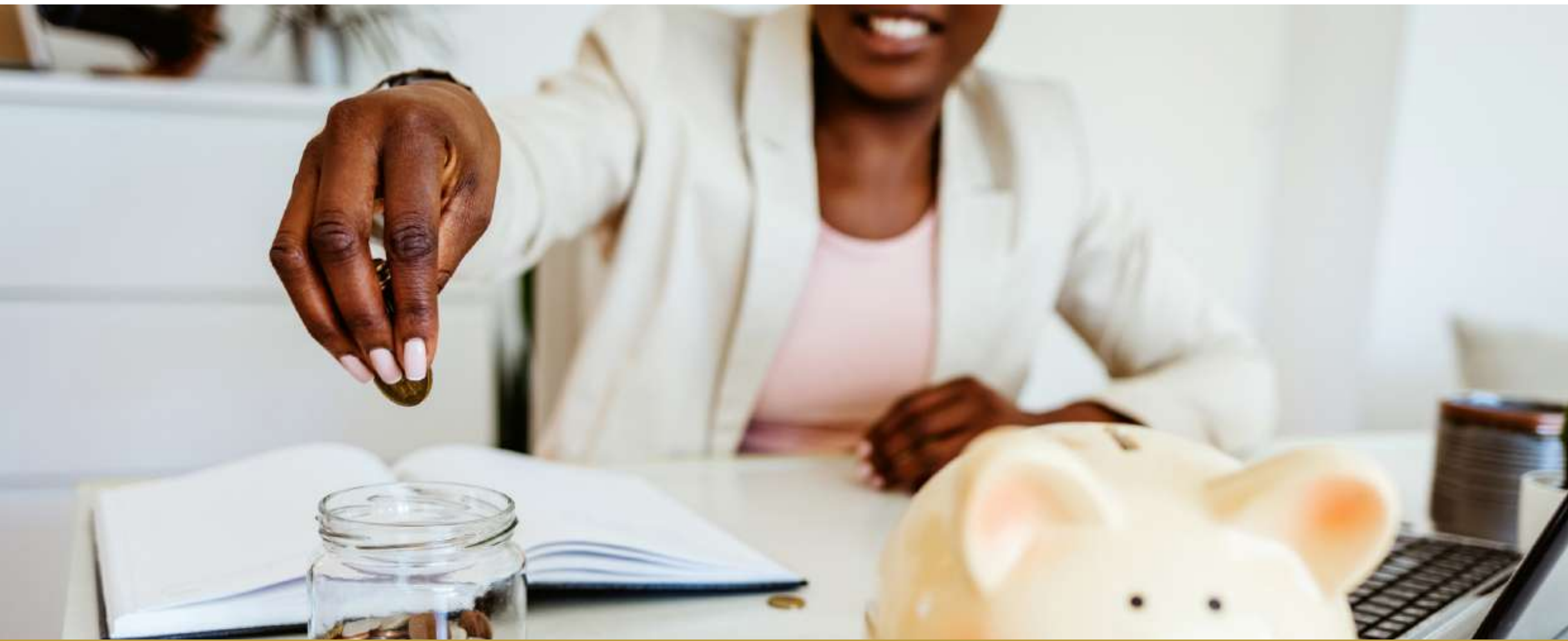
URBRA

UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

Protecting your retirement benefits

Newsletter

Quarter-4 FY 2024/25



REFLECTING ON A PERIOD MARKED BY REGULATORY MILESTONES, GROWING PUBLIC CONFIDENCE AND PLANS TO EXPAND SECTOR COVERAGE

REFLECTING ON INVESTMENT TRENDS

DO'S AND DON'TS OF RETIREMENT PLANNING

EXPOSING THE INVISIBLE SCARS OF FINANCIAL ELDER ABUSE

The Newsletter is a product of;
The Directorate of Corporate and Public Affairs

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Accounting Officer's Foreword

Welcome to yet another edition of the URBRA Newsletter. We reflect on the just-concluded financial year, which was characterised by supervisory milestones, growing public interest in retirement saving and strategies to expand sector coverage.

We are particularly inspired by the continued growth of sector assets, and the notable increase in voluntary contributions. The introduction of new exit benefit options, such as programmed withdrawals and post-retirement medical cover, reflects sector responsiveness to members' evolving needs. Our successful rollout of the Risk-Based Supervision System, the "URBRA Bridge," has streamlined activities, enhancing risk oversight and demonstrating the sector's maturity.

This successful closure of the financial year is a testament to the collaborative spirit among key sector stakeholders, all working towards a more secure and dignified retirement for every Ugandan. We urge all citizens to engage proactively in their retirement planning, seeking professional advice and leveraging available tools for a financially secure future.

While some challenges persist, including the issue of investment concentration in government securities and the risks posed by emergence of unregulated digital assets, URBRA is proactively exploring ways of expanding the investment universe and fostering innovation through measures like regulatory sandboxes.

These issues will be high on the URBRA agenda, as we embark on the implementation of the Authority's new five-year strategic plan, the highlights of which are captured in this issue of our newsletter.

We appreciate the efforts being made by Ugandans to save and invest for retirement, and we reiterate our commitment to securing your retirement benefits through our strong supervisory and regulatory functions.

For God and My Country

RFNansasi

Rita Faith Nansasi Wasswa
Accounting Officer
Uganda Retirement Benefits Regulatory Authority

URBRA'S UNVEILS NEW STRATEGIC PLAN (2025–2030)

By Pauline Prisca Angolere
Senior Planning Officer

The Uganda Retirement Benefits Regulatory Authority (URBRA) has officially unveiled its Third Strategic Plan for the period FY2025/26 to FY 2029/30, under the theme: "Harnessing Retirement Savings for Sustainable Socio-economic Transformation." This Strategic Plan marks a major milestone in the Authority's ongoing commitment to strengthening and transforming Uganda's retirement benefits sector.

Whereas the first two Strategic Plans focused on laying the foundation through the development of systems, regulatory frameworks, and institutional capacity including the implementation of a risk-based supervision system, the new Plan shifts focus toward consolidating these gains and driving sector-wide impact.

Commencing in July 2025, the third Strategic Plan aims to promote the stability, security, and good governance of the retirement benefits sector. The Plan envisions URBRA as an effective regulator aiming to enhance compliance, protect member benefits, and enforce prudential standards for an inclusive, secure and sustainable retirement benefits sector. URBRA's regulatory approach will be guided by key principles of efficiency, sustainability, coverage, adequacy, and the security of member benefits.

Over the next five years, the Authority will prioritize addressing persistent sector challenges particularly low coverage and exclusion of informal sector workers. Establishing the National Long-Term Savings Scheme (NLTSS), which seeks to extend retirement savings coverage to informal sector workers will be a major milestone for the country. This plays a big part in savings mobilisation towards increasing domestic savings to 35% of GDP by 2040, in line with Uganda's long-term development objectives. In parallel, URBRA will champion efforts to strengthen regulation and supervision of the Retirement Benefits Sector including improvement of supervisory efficiency and effectiveness.

The implementation of the new strategy will be guided by a results-oriented monitoring and evaluation framework, ensuring regular tracking of progress and accountability across all levels. Speaking at the staff retreat where the plan was presented, the Accounting Officer Mrs Ritah Nansasi emphasized that "This Strategic Plan is not just a document; it is a call to action for all of us to drive meaningful change and secure retirement dignity for all Ugandans."

URBRA reaffirms its commitment to promoting the effective management and good governance of the retirement benefits sector, thereby building an inclusive, secure, and sustainable system that supports Uganda's socio-economic transformation and meets the retirement needs of all Ugandans.

REFLECTING ON A PERIOD MARKED BY REGULATORY MILESTONES, GROWING PUBLIC CONFIDENCE AND PLANS TO EXPAND SECTOR COVERAGE

As the financial year draws to a close, the Uganda Retirement Benefits Regulatory Authority (URBRA) reflects on a period marked by regulatory milestones, growing public confidence and plans to expand sector coverage. Chief Manager Supervision and Market Conduct, Ms Daisy Lynda Nabakooza, shared her reflections. Excerpts below.

QN: From a supervision and market conduct perspective, what do you consider to be the three most outstanding achievements through the year?

We have maintained our supervisory role over the sector despite several challenges during the year. We fully rolled out the Risk Based Supervision System, the "URBRA Bridge" and it has helped to streamline many of our activities; we now spend less time on supervisory compliance and more time on risk oversight, this has led to increase intensity in our supervisory interventions..

The other key achievement is the continued growth of Assets Under Management, which in a way is attributable to an increase in voluntary contributions and the establishment of more occupational schemes to augment the mandatory savings. This has happened in the face of winding-up of some schemes due to rationalization of government agencies and the freeze on donor funding by the United States of America. We licensed three new schemes (including an informal sector retirement scheme) and two new custodians, and that is an indicator of increased confidence in the sector and the prospects it presents.

For the schemes winding up, the process has been seamless, without any major hurdles or complaints, which is also a positive thing. This has been a testament of maturity in the quality of trustees, their diligence, as well as the regulator's supervision function. In the process, we realized that some members who got their benefits used them to join other schemes voluntarily. This shows that the principle of retirement saving is taking root, and both individuals and institutions are embracing this principle.

During the year under review, we registered an increase in members' demand to have more exit benefits options introduced in the retirement benefits schemes; and we have noted new exit benefits options introduced, including programmed withdrawals, post-retirement medical cover and funeral cover. This is quite encouraging and as per the Authority's mandate, we shall be drafting regulations and guidelines to ensure proper and sustainable implementation of such exit benefits options as well as protection of members' rights.

QN: What have been the key factors of success, leading to those key achievements?

Success is attributable to a number of factors, majorly, increase in maturity of the sector and the regulator, and dynamism of the sector.

Increased training of trustees which has prepared them to handle the dynamism in their schemes has greatly contributed to the registered success for the year 2024/2025. They know how to handle situations that arise, ask the right questions and where to get guidance. URBRA's investment in standardized trustee training is indeed paying off.

The year has also seen our regulations being put to the test and proven that they are applicable. All the processes relating to winding up of schemes and transfer of benefits between schemes, have been duly guided by URBRA'sregulations.

Technology has also been a key factor, especially in aiding timely and seamless payout to members and closing schemes, more effective supervision of the sector, and licensing of new providers in the sector with integrated fees payment through URA. Technology is at the forefront of enabling improved service efficiency.

"The risk-based supervision system has also been a "switch" for the trustees. Trustees have been able to appreciate the gaps in their schemes, that may not have been identified in the past

Member involvement, which keeps both the regulator and the service providers accountable, has also played a big part in the success registered during the year. Members are now demanding for high quality services, more information, transparency and innovative products.

We indeed must celebrate all milestones, even the small steps because "small is where big comes from," and we continue to aspire for bigger in the coming financial year.

QN: What is the impact of the risk-based supervision system so far? What are some of the positive change stories regarding compliance and risk mitigation?

One positive changes introduced by the risk based supervision is the granular reporting. The level of detail in the reports has supported us to fulfil the Authority's report requirements including for financial stability, sector outlook, and compliance with the ever changing supervision requirements. I must also observe that with this level of reporting, the authority has also has to adjust its assessment criteria to ensure it meets international best practice.. We have been able to refine our system whereas sometimes it involves a long iterative process.

The new system is good on the supervision side because it brings out what people were not reporting before, but it also highlights the areas that should be of focus for the regulator..

The risk-based supervision system has also been a "switch" for the trustees. Trustees have been able to appreciate the gaps in their schemes, that may not have been identified in the past. The involvement of trustees in diligent scheme management has been highlighted. And whereas this has called for a higher demand for trustees' time and skill, many trustees have come to appreciate the positive impact that increased supervisory intensity has brought to their roles and how they manage their schemes. Trustees are now positively creating and implementing changes, identifying the right "pain-points" and implementing appropriate responses.

We have also received requests for integration with the systems of regulated entities, because they have seen how seamless the process can be when things are aligned. Thus, in the next financial year we shall kick off with system integration for the service providers that are ready

Communication with regulated entities has improved. We are doing things on the system meaning that information is given in real time. You get feedback instantly on the system, you don't have to wait days or weeks. We are now fast and efficient. In the new Financial year, we hope to introduce more pathways to allow for this seamless communication with the licensed entities.

From the environmental sustainability perspective, the system has ensured that we are green and paperless (ok less paper!). Previously we would have piles and piles of printed reports. We were receiving financials and printing the number of copies that all reviewers must work with. Now it's a matter of logging in and collaborating, being part of the environmental protection movement whilst also building team synergies

In the coming financial year, the supervision system remains high on our agenda, particularly improving and upgrading it to meet the aspirations of the Authority, sector and public and achieving the dynamism and sophistication expected of high-end supervisory technology (SupTech), as well as training users to better utilize the system.

QN: As URBRA transitions into the next financial year, what will be the focus of the DSMC? What should be in place to enable the Directorate achieve its goals set for next Financial Year?

The supervision system remains high on our agenda, particularly improving and upgrading it to meet the aspirations of the Authority, sector and public and achieving the dynamism and sophistication expected of high-end supervisory technology (SupTech), as well as training users to better utilize the system.

We shall also work towards achieving integration with our stakeholders's systems, so that can enjoy the efficiency that comes with integration.

QN: The new financial year, 2025/26 marks the operationalization of a new five-year strategic plan. Looking at the sector factors, actors, and all conditions at play, where do you see URBRA in the next five years?

Retirement saving is now featuring in many conversations, this will be scaled up in the next five years. I foresee an informal sector that is more involved, curious about the opportunities the sector presents for them and with URBRA adjusting regulations to meet their needs and to adhere to international standards in dealing with such segmented stakeholders. We as a regulator will step up the way we meet the demands of the population.

I foresee adjustments in the investment regulations to create more flexibility and diversity of asset classes. That is something that will feature very prominently in the next five years. Innovations and opportunities like pension sector targeted infrastructure bond, evolution in the private equities space and expanding the investment spectrum, will be a key focus in our discussions. .

Finally, with the passing of the Public Service Pensions Act, and the heightened interest in retirement saving and preparing for retirement, we shall see a growth in assets under management in the sector, as more people come up to take part in this space.

As a regulator, we shall continue to evolve to ensure we meet the increasing demand to prudent regulatory oversight, and continue coordinating ar collaborating with other regulators to ensure we h a wholesome view of the risks in the sector met v appropriate interventions.

QN What are the major challenges that could inhibit the projected/desired progress and how should they be addressed?

QN: Any other thoughts/recommendations on how URBRA can sustain its growth trajectory, at institutional and sector level?

There are several strategic considerations and recommendations for URBRA (Uganda Retirement Benefits Regulatory Authority) to sustain its growth trajectory both institutionally and for the retirement benefits sector as a whole. These span regulatory innovations, capacity building, stakeholder engagement, technological adoption, and sector-wide reforms.

We need to strengthen our engagement with all stakeholders; We must institutionalize regular forums with employers, service providers, members, policy makers, government, regulators, innovators, etc. to co-create policy direction

Lead Innovation in the Sector by exploring regulatory sandboxing to encourage fintech-driven pension products that can expand access.

We must continue to deepen regulatory and supervisory capacity, nurture a team that is agile and meets the dynamic demands of the sector to ensure effective implementation of the Authority's mandate.

BALANCING RISK AND RETURNS: INVESTMENT TRENDS IN THE UGANDA RETIREMENT BENEFITS SECTOR

By Lydia Mirembe,
Manager Corporate and Public Affairs

For yet another year, investments in the Retirement Benefits Sector were characterised by caution and conservatism, with about 80% of the portfolio in government securities. For those watching investment trends, it may sound like a truism, but for curious minds seeking to see more diversity in the sector and deepening of the capital markets, it is concerning.

As the Financial Year 2024/25 came to a close, questions lingered about investment prospects in the sector: Why can't we invest in other asset classes? Why can't we invest outside Uganda, if the market is too crowded and why are we restricted to the East African Community? Why can't the regulator lift the cap on the maximum allowable investment in government securities? What are the risks of the investment portfolio of the entire sector being concentrated in one asset class? Questions abound!

The URBRA Investment of Scheme Funds Regulations (2014), stipulate eight asset classes and the maximum proportion of savers' funds that can be invested in each. These include:

- Cash and demand deposits in institutions licenced under the Financial Institutional Act, or other similar institutions licenced in the East African Community (5%)
- Fixed deposits, time deposits, and certificates of deposits in institutions licenced under the Financial Institutional Act, or other similar institutions licenced in the East African Community (30%)
- Commercial paper, corporate bonds, mortgage bonds and asset-backed securities and collective investment schemes approved by the Capital Markets Authority (30%)
- Government securities in the East African Community (80%)
- Shares of companies quoted in a stock exchange in East Africa and collective investment schemes approved by the Capital Markert Authority (70%)
- Immovable property in Uganda, real estate investment trusts and property unit trusts approved by the Capital Markers Authority (30%)
- Private equity in the East African Community (15%)
- Any other asset classes approved by the regulator. (5%)

According to URBRA Risk and Investment Analysts, Eric Mugisha and Jonathan Ssentamu, government securities offer the safest investment so far, given the long-term view of the Retirement Benefits Sector. However, there is acknowledgement that default risks exist. More so, when all investors concentrate in the government securities, private sector is limited and frustrated; they don't innovate, so they don't create jobs and employment, which in the long run affects the whole economy – not least the Retirement Benefits Sector. Rational investors will reason, "why invest in shares that give annual interest of 4%, when there are government securities that give 18%?"

Still, some people ask why sector players cannot innovate within the limits of the current investment regulations. URBRA Risk and Investment Analysists acknowledge that innovations can thrive within the current operating environment, only that savers are more interested in the highest interest possible. In some jurisdictions for example, there are private funds that invest strictly in financial services technologies – FinTechs; and other venture companies which are tokenising private equity to make it trade like shares, but that has not taken root in Uganda, because the returns may not meet contributors' expectations.

In the interest of high returns, some Ugandans have taken individual decisions to invest in crypto currencies. Uganda is ranked 6th on the Crypto

Adoption Index in Africa, even though crypto is not yet fully recognised or regulated by Bank of Uganda. Many people who get their lumpsum payouts have limited knowledge of how to handle finances post retirement and are not well guided on how to invest their funds. Many digital assets have come in to fill that gap and they are targeting retirement benefits payouts.

It is worth noting that these issues of concern are not a preserve of the Ugandan Retirement Benefits Sector; they cut across the region. The investment classes and alignment of portfolios is the same across EAC countries like Kenya, Tanzania and Rwanda. The Kenyan market may be slightly ahead in some ways - for example, the Kenyan government has issued infrastructure bonds; their investment in government securities is at 44%, compared to Uganda's at 78%; they have a bigger pipeline of private equity, and their quoted equity portfolio is at 9% compared to Ugandans at 2.49%. Kenya's sector is helped by harmonised tax structures and regulations.

In the EA region, Uganda's NSSF is the biggest, although Kenya has a more diversified portfolio, with over 1000 pension schemes as compared to Uganda's provident fund model. Rwanda is stricter in terms of investment especially regarding investments outside Rwanda, while Tanzania also has a more regulated equity space. But it all goes back to the legal and regulatory environment, plus resources and capacity.

However, it is also important to consider the macro economic environment, because there are some factors beyond URBRA's control e.g. taxation and other laws that may pertain to retirement benefits savings. Therefore, URBRA must work collaboratively with other regulators like Bank of Uganda, Capital Markets Authority, Financial Intelligence Authority, Uganda Revenue Authority, among others, and Ministry of Finance Planning and Economic Development, to ensure harmonisation of policies and rules that affect retirement saving and ultimately guarantee growth of long-term saving and protection of retirement benefits.

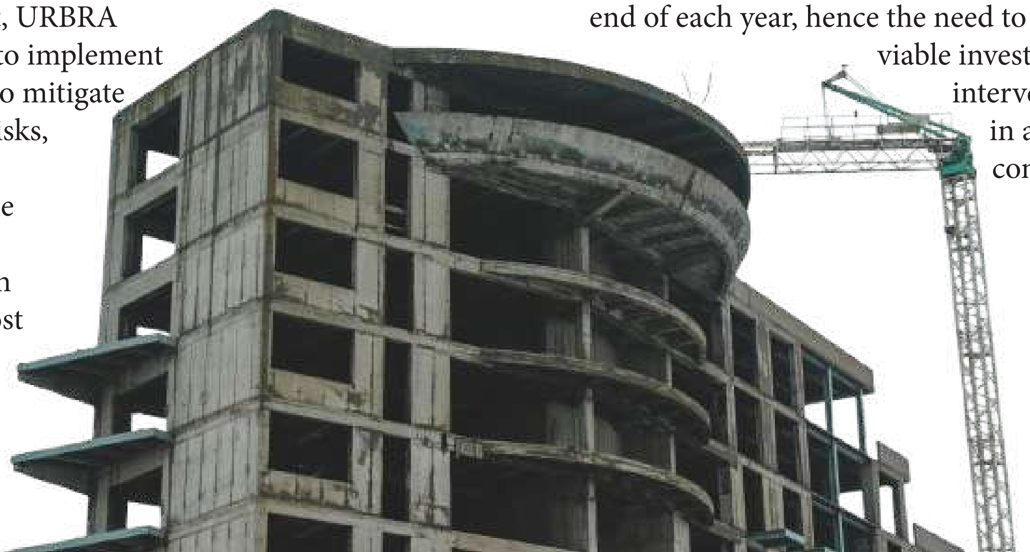
On its part, URBRA continues to implement measures to mitigate apparent risks, especially through the risk-based supervision model. Most of the risks relate to investment, credit, liquidity and operational elements. The Risk and Investment Analysts say that URBRA has moved away from compliance-based supervision to risk-based supervision which proactively identifies and forestalls risks. The requirement for schemes to onboard licensed professionals like fund managers, custodians and administrators is also a measure to mitigate risks, in addition to auditors and actuaries who give their independent opinions about different risks in the system. URBRA conducts onsite and offsite assessments, which are all geared towards mitigation of effective risk management in the sector.

That notwithstanding, URBRA also acknowledges the fast-evolving operational environment which creates an urgent need to adapt to new requirements and processes, even if it means reviewing laws and regulations. The onslaught of Artificial Intelligence, and the proliferation of virtual assets, are just some of the developments the regulator must prepare for.

The Regulator also acknowledges the need to review asset allocation, reduce the concentration in fixed income assets and expand participation into other investment vehicles, that non only deepen capital markets but also facilitated growth of economy and employment opportunities, especially learning from Uganda's neighbours and other jurisdictions. This requires effective regulations and guidelines.

Uganda also needs to encourage product and process innovations by setting up regulatory sandboxes to develop and test products; as well as incentives for saving and using technologies.

Additionally, there is need to continue investing in capacity enhancement of trustees and scheme members to understand investment trends and demand accountability from their fund managers. URBRA and other sector stakeholders should also promote development of the Ugandan investment market, which is currently shallow and illiquid. Members, by design want the highest interest at the end of each year, hence the need to look critically at viable investment options and interventions, packaged in a way that yields competitive returns.



A SECTOR UNDER REVIEW: RETIREMENT PLANNING AND FINANCIAL EDUCATION MATTER NOW MORE THAN EVER

By Billy Gang,
Communication and Public Affairs Officer

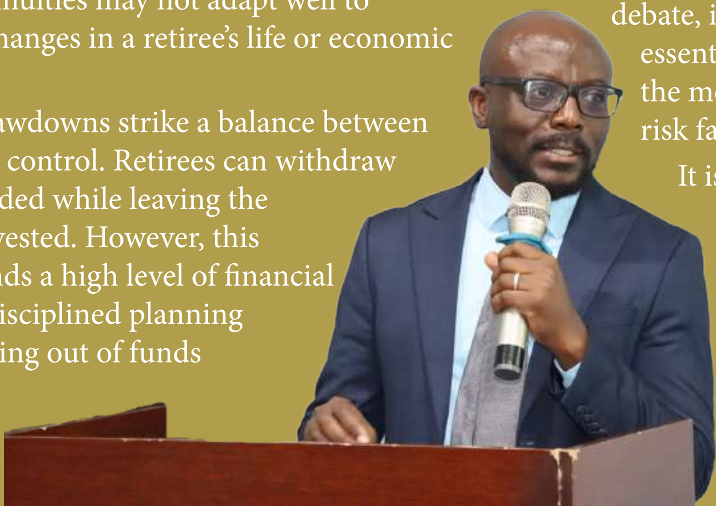
As Uganda's young population ages and life expectancy continues to rise, the question of how this young population will manage their funds effectively in old age is gaining urgency among sector players and stakeholders.

During a recent stakeholder engagement organised by the Uganda Retirement Benefits Regulatory Authority (URBRA) and Parliamentary Pension Scheme (PPS) at the Imperial Royale Hotel in Kampala, themed "Strengthening Retirement Security Through Inclusive and Sustainable Pre and Post-Retirement Solutions," intended to discuss the state of retirement benefits in Uganda.

Dr. Godwin Kakuba, a trustee of the Makerere University Retirement Benefits Scheme, was instrumental in bringing this issue to the forefront. His insights highlighted the complex choices retirees face and the need for both policy change and financial education.

Dr. Kakuba's presentation offered a comparative analysis of three common retirement payout options: lump-sum payments, annuities, and income drawdowns. Pointing to the perks and benefits of each.

- Lump sums provide immediate access to funds upon retirement. While this offers flexibility and liquidity, it also comes with a high risk of mismanagement. Many retirees exhaust these funds quickly, often due to poor financial decisions or urgent needs, leaving them without long-term income.
- Annuities, on the other hand, offer a stable and predictable income stream, often for life. These can be tailored to include features like inflation protection or health benefits, but they tend to be rigid. Once purchased, annuities may not adapt well to unexpected changes in a retiree's life or economic conditions.
- Income drawdowns strike a balance between flexibility and control. Retirees can withdraw money as needed while leaving the remainder invested. However, this option demands a high level of financial literacy and disciplined planning to avoid running out of funds prematurely.



Dr. Kakuba

stressed that Uganda's retirees need more than just access to these financial tools they need the knowledge to use them wisely. He called for enhanced financial education programs and regulatory safeguards to ensure that retirees make informed decisions that promote long-term financial stability.

Complementing Dr. Kakuba's analysis, retirement benefits product expert Ms. Allen Amoko, Head of Corporate Business at Jubilee Life Insurance Uganda Ltd underscored the power of early and strategic retirement planning and education. Introducing the "8/9/10 rule," she demonstrated how individuals can set tailored savings goals based on the age they start contributing to a retirement plan.

The rule encourages individuals to save:

- 10% of income if starting in their 20s,
- 9% if starting in their 30s,
- 8% or more if beginning in their 40s or later.

Ms. Amoko's advice was clear, the earlier one begins saving, the less financial pressure they face later in life. She emphasized the need for diverse and modern investment options including unit trusts, employer-sponsored schemes, and fintech-based savings tools to make retirement planning accessible and attractive to younger and informal sector workers.

The insights from Dr. Kakuba and Ms. Amoko echo a broader national concern among stakeholders, "retirement planning in Uganda is no longer a personal issue, it is a societal and policy priority". Ensuring that retirees have access to secure income streams requires a dual approach: building smart, inclusive financial products and empowering the youthful population with the knowledge they need to ensure they are financially secure.

As Uganda continues with the pension reform debate, it's clear that financial literacy is as essential as financial access. Without it, even the most well-designed pension systems will risk falling short of their intended purpose.

It is evident that with the right mix of policy reform, public education, and early engagement, Uganda can build a retirement system that is not only inclusive and sustainable but provides a huge financial pot that government can borrow from for development projects while ensuring the dignity of citizens in old age.

APPLICATION OF ESG IN RETIREMENT BENEFITS SCHEMES FOR SUSTAINABLE INVESTMENT

By Lillian Kakayi,
Communication and Public Affairs Officer

Sustainable investing is rapidly transforming the global financial landscape, and the retirement benefits sector is no exception. Lisa Betty Oyella, CFA, Portfolio Manager at Deposit Protection Fund of Uganda, during a stakeholder engagement on June 26, 2025, gave insights for integrating Environmental, Social, and Governance (ESG) factors into retirement benefits scheme (RBS) investments was both compelling and urgent. As the demand for ethical and long-term value-oriented investing intensifies, regulators, trustees, and investment managers are being called upon to rethink traditional investment strategies and embed sustainability at the core of decision-making.

ESG is a framework used to evaluate how companies and investments perform in areas beyond just financial returns. The Environmental aspect looks at how a company impacts and responds to climate change, resource use, and sustainability. The Social component examines how a company treats its employees, engages with communities, and upholds human rights. Governance focuses on corporate ethics, board structure, transparency, and accountability. ESG helps investors identify risks and opportunities that could affect long-term financial performance and aligns investment decisions with broader ethical and sustainability goals.

ESG integration is not a superficial trend but a strategic shift driven by the recognition that sustainability risks—such as climate change, social inequality, and weak governance—have real financial implications. According to the World Economic Forum, these ESG risks rank among the top threats to economic stability and corporate performance globally. Pension funds, which manage long-term savings on behalf of millions of workers, cannot afford to ignore these dynamics. Issues like environmental degradation, labor practices, boardroom ethics, and diversity are no longer peripheral—they are central to institutional resilience and returns.

The triple bottom line of sustainability—people, planet, and profit—as a foundational framework for retirement schemes calls for integrating ESG into investment decisions. This allows pension funds to achieve improved risk-adjusted returns, strengthen their reputational capital, and stay ahead of evolving regulatory demands.

Governance emerged as a linchpin in this transformation. Trustees are expected to go beyond fiduciary responsibility by ensuring that their scheme's strategy is aligned with long-term sustainable goals. This requires establishing robust oversight structures, ensuring transparency through ESG reporting, and holding fund managers accountable for outcomes. The governance function becomes even more critical in managing ESG-related risks and aligning pension portfolios with national and global sustainability targets, such as the Sustainable Development Goals (SDGs).

Practical guidance on ESG investment strategies and allowable investments under Uganda's regulatory framework that pension funds can consider implementing through a variety of approaches, including negative screening, ESG integration, impact investing, and thematic investments in renewable energy, social infrastructure, or inclusive technologies. East Africa is showing increasing appetite for sustainable investments, providing an opportune moment for retirement schemes in Uganda to lead and innovate.

However, successful ESG integration is incomplete without consistent monitoring and reporting. The conversation underscored the need for structured disclosures using global standards such as the Global Reporting Initiative (GRI) and the International Financial Reporting Standards (IFRS) under the International Sustainability Standards Board (ISSB). These frameworks help schemes address both "double materiality"—the impact of ESG on financial value and the scheme's impact on the environment and society. Transparent reporting strengthens stakeholder confidence and reinforces accountability.

The integration of ESG factors into retirement benefits scheme investments is not only a moral imperative but also a strategic advantage. As pension funds seek to safeguard and grow members' savings in a volatile world, ESG provides a lens for long-term, inclusive, and resilient investing. URBRA continues to champion such forward-looking conversations, reaffirming its commitment to a well-regulated, sustainable retirement sector in Uganda.

THE TIMELESS TRUTH ABOUT RETIREMENT
DO'S AND DON'TS OF RETIREMENT PLANNING

By Lillian Kakayi,
Communication and Public Affairs Officer

In a thought-provoking X Space conversation hosted by the Uganda Retirement Benefits Regulatory Authority (URBRA), the subject of retirement planning was brought to life through practical wisdom, professional insight, and relatable life experiences. Moderated by renowned TV personality Mildred Tuhaise, the discussion featured Mr. Kiddu Moses, Head of Pensions at Liaison Financial Services Ltd, and Ms. Florence Nabakiibi, Assistant General Manager at ICEA Lion Life Uganda. Together, they unpacked a topic that affects everyone but is often postponed until it's too late: the dos and don'ts at all stages of retirement planning.

The timeless truth about retirement could not have been over-emphasized — the earlier you start, the better. Retirement planning is not reserved for the wealthy or the elderly. It's a lifelong process that benefits greatly from consistency, however modest the savings may be. Mr. Kiddu emphasized that even UGX 50,000 saved monthly from an early age can yield more returns than huge amounts saved in the later years of life. The key is to start where you are with the little you have and maintain the discipline of saving. Waiting for the "right time" or "more money" often results in missed opportunities, particularly when one fails to benefit from compounding interest, which allows your savings to grow exponentially over time.

The panelists also spoke about the need to think beyond savings and consider one's retirement lifestyle. A particularly striking insight came from Mr. Kiddu, who warned against the temptation of living beyond one's means as a youth renting an apartment while driving very expensive cars. Another issue is when most build overly large retirement homes. These may seem desirable when children are still at home but can become a burden—financially and emotionally—once children move out and the home becomes costly to maintain. Instead, individuals are encouraged to plan modest, efficient homes that align with their income and physical capacity during retirement.

Relying on children as a retirement plan is a common yet increasingly unreliable approach in today's evolving social and economic landscape. While it is natural for parents to hope that their children will offer support in old age, this expectation can place an unintended burden on the next generation. As children grow, they face their own financial obligations—raising families, managing careers, paying off loans, or pursuing personal goals. These competing demands may limit their ability to provide consistent or sufficient support to their parents. Moreover, economic uncertainties and rising living costs mean that even well-meaning children might struggle to meet their own needs, let alone cater to those of their parents. It is therefore essential to plan independently for retirement to avoid cursing children because they are not giving back—circumstances might go beyond their children's control.

Ms. Nabakiibi, drawing from years of experience in the insurance and pensions sector, urged Ugandans to involve professionals when making investment decisions. Many retirees fall prey to get-rich-quick schemes or channel their retirement payouts into unfamiliar business ventures without sound advice. These risks can undo years of disciplined saving in a matter of months. Rather than gamble with one's financial future, she advised seeking the guidance of licensed retirement planners, insurance providers, or financial advisors who can structure safe and diversified investment options.

Budgeting, often overlooked in retirement planning discussions, was highlighted as a crucial practice. Retirement doesn't eliminate expenses—it merely shifts their nature. Food, utilities, healthcare, and transport remain essential, and without a regular income, unmanaged spending can lead to anxiety or debt. Keeping a simple monthly budget and tracking daily expenses allows retirees to live within their means and maintain dignity.

Equally important is the continuity of formal saving. Whether employed in the formal or informal sector, everyone has the opportunity to prepare for retirement through available voluntary and micro-pension schemes. The example of a boda-boda rider saving UGX 5,000 a week was shared to illustrate that retirement planning is not only for salaried workers. What matters most is consistency and using regulated channels to secure one's future.

The speakers also discouraged the premature withdrawal of retirement savings. Early access to these funds, while tempting during times of financial distress, often leads to regrettable losses. Many fail to realize that once funds are withdrawn, the opportunity for compound growth is permanently lost, an example of people who withdrew funds from NSSF and in no time the funds were diminished.

Retirement planning is not a one-time decision, but a journey that evolves with age, career progression, family changes, and economic conditions. The needs keep changing. Regularly reviewing one's goals, contributions, and investment strategies ensures alignment with both short-term needs and long-term security. And perhaps most importantly, retirement planning is not something to be done in isolation. Conversations with spouses, trusted professionals, or scheme administrators can uncover insights and avoid mistakes that are common when decisions are made alone.

In sum, the X Space discussion provided a sobering but hopeful message: retirement can be fulfilling, dignified, and secure—if planned wisely. It calls for a mindset shift from short-term consumption to long-term vision. Whether you are 25 or 55, employed or self-employed, the same principles apply. Start early, save consistently, avoid unnecessary risks, and seek professional guidance. URBRA remains committed to ensuring that every Ugandan has the tools, awareness, and opportunities needed to prepare for retirement with confidence and clarity.

YOUR VOICE, YOUR FUTURE: HOW TO ADVOCATE FOR YOUR RETIREMENT INTERESTS

By Sylvester Bagenda
Human Resource Officer

Retirement sounds like a distant concern when you're busy putting food on the table today. But if you don't start speaking up now, you may end up like your tired uncle, still clocking in at 70, joints aching and wondering how the bills will be paid. Retirement isn't a surprise party where you show up unprepared; it is a journey you walk throughout your working life. Moreover, retirement planning is not just about saving money; it also pertains to many other aspects of life, especially health. You may be saving lots of money for retirement, but if you don't advocate for your health, it may all come to naught. You can use your voice at work to shape a future that works for you.

Why Speaking Up Matters

Imagine Amina, a retired teacher. She taught for 30 years and faithfully saved with NSSF…but never asked her school for lighter duties as she aged. At 58, her doctor ordered her to stop working for health reasons. Suddenly, she was faced with a challenge of having to stretch her savings to cater for her health, along side other retirement needs. She's stressed about how to make ends meet.

Or think of Robert, a production manager at his firm, who wants to retire at 60 and go into farming. He is "too loyal," taking on extra tasks without complaint. But at 55, he already feels burnt out, and is considering early retirement. Not only will it dent his saving, but it will also deter his dream of farming.

Truth be told, your boss is not a mindreader. If you don't voice your needs, no one will know about them... and that silence costs your money, health, and peace of mind in retirement.

Four Simple ways to Use Your Voice

1. Ask for Information and Resources

Just say, "I'd like to understand my NSSF retirement statement and projection. Can we organize a small info session for our team?" That simple request worked for Juliet, a nurse in Jinja: when her hospital HR didn't have anything inhouse, they reached out to NSSF, who delivered a tailored workshop. Now she and her colleagues know exactly how much to save each month. You can do the same, reach out to URBRA for free advice on retirement saving.

2. Negotiate Flexible Contributions

Irregular income makes fixed schedules hard, so ask for a plan that matches your cash flow. Try saying, "I'd like to contribute UGX 50,000 monthly instead of weekly, so I don't miss payments." That's exactly what a market vendor in Mukono did: she joined NSSF's SmartLife Flexi voluntary savings plan and arranged fortnightly contributions using mobile-money. With a minimum of UGX 5,000 per payment and the option to pay daily, weekly, monthly, quarterly, or annually, she now tops up when her stall is busiest and never misses a month. Use your voice to shape how it works in your area.

3. Set Boundaries to Protect Health

Early burnout drains your savings. URBRA data shows early retirements for health reasons can eat up 30%

more of your savings in the first five years. To avoid that, speak up and protect your health so you can work longer if you choose. Try saying, "I appreciate the extra assignment, but with my current load, my health is at risk. Can we hire temporary support or shift the deadline?" That's exactly what the HR Senior Associate at Safeboda did; she refused weekend shifts for members over 55 and rotated duties instead, so everyone stays healthy and keeps earning without forced retirements. Use your voice before you reach crisis point.

4. Leverage Your Experience for Ongoing Income

Your decades of know-how are a gold mine long after you officially retire. Try saying, "I plan to retire next year. Can I spend four hours a week writing a training manual and mentoring new staff as a consultant?" That's exactly what a senior accountant did; she became an "Emeritus Advisor," mentoring finance teams two days a month for a fee, topping up her pension while staying active. Frame it as a win-win: the organization retains its hard-won expertise, and you boost your retirement pot.

What If They Say No? Real Talk

Self-advocacy isn't always smooth. If your request is turned down:

- It is not personal. Maybe budgets are tight. Ask to revisit in six months.
- Compromise. If you can't do hybrid work, ask for a lighter workload instead.
- Control your side hustle. Build a small business after hours, like agroconsulting or tutoring English. That extra income becomes your backup plan.
- Use URBRA's DIY Tools. Try the free Retirement Timeline Calculator available at: urbra.org/retirement-benefits-calculator so you know your numbers when you negotiate.

Be careful though, if getting promoted depends on impressing others, pushing too hard can backfire. Pay attention to your workplace culture, and sometimes it's safest to quietly learn new skills on the side.

Action Plan: Start Small, Dream Big

Here's a simple checklist you can finish in an afternoon:

- Know Your Why. Write down: "I want to retire at [age] to [e.g., start a consulting biz, farm, travel]."
- Pick One Ask. Maybe it's "Show me my Retirement projection" or "Let me pay monthly."
- Draft Your Script. Practice in front of a mirror or with a friend. Keep it short: "Madam, can we talk for 10 minutes about my retirement plan?"
- Make the Ask. Book that chat with HR or your supervisor. Be confident. You're planning your life.
- Follow Up. If you don't hear back in two weeks, send a polite reminder: "I'm checking in on our retirement chat. When can we schedule?"

You've Got Power, Use It!

Your job isn't just about today's paycheck, it's about your future too. When you speak up, URBRA hears your real needs and responds, employers see that retirement planning matters for staff retention, and informal-sector platforms like voluntary savings plans improve thanks to your feedback. That means you get to build a retirement you actually look forward to, without the aches, stress, or nagging "what ifs." So go on use your voice and own your future. URBRA is here to help, but the first step starts with you.

BEHIND CLOSED DOORS: EXPOSING THE INVISIBLE SCARS OF FINANCIAL ELDER ABUSE

By Maroushka F. Kanywani
Concerned Citizen and Elder Rights Advocate

Within the African – and by extension the Ugandan - cultural context, a great deal of honor is conferred to the pillars of our respective families and communities – aunts, uncles, parents, and grandparents, whose love and wisdom are the backbone of our growth and development.

Behind closed doors however, quite often a different tale unravels: the slow, insidious erosion of an elder's rights and dignity through financial abuse. Most often, the perpetrators of this abuse – which causes deep, yet invisible wounds – are not strangers but the very individuals entrusted with the honorable and reciprocal duty of caring for the elderly, such as children, siblings, and other relatives. It is this proximity to, and familiarity with the elderly person that often provides the subterfuge that fosters financial abuse and guarantees the victim's silence.

While our cultural norms and mores demand that we respect and pay deference to our elders, these very norms protect abusers, who count on the victims' reluctance to rock the boat by asking for accountability or clarification for fear of "bringing shame" to the family name.

Invisible Tug-of War: Cultural Values and Family Favors vs. Fiduciary Responsibilities

Familial bonds and cultural norms, – most, if not all of which – precede our Penal Code and principles of fiduciary responsibility, often serve as efficient mechanisms for muzzling agency in victims of financial elder abuse, yet formal legal instruments such as Power of Attorney (POA) stipulate that withholding information or assets constitutes dereliction of duty and/or financial exploitation.

The State Minister for Elderly Affairs, Hon. Gidudu Dominic Mafaabi, speaking at the commemoration of International Day of Awareness of Elder Abuse on 20th June, 2025, voiced his concern about the rising rates of elder abuse, neglect, and exploitation, particularly among men aged 60 to 69 and women aged 70 and above.

The Ministry of Gender, Labor, and Social Development also recently raised an alarm over the growing number of cases of elder abuse – especially within their own families. According to a post-lockdown report issued by the Uganda Bureau of Statistics (UBOS), 31 percent of elder abuse cases are committed by relatives other than children, while 28 percent of the cases are committed directly by the victims' children.

Call to Action: Protecting Our Elderly from financial abuse

- Initiate Talks About Money: Normalise discussions about wills, land ownership, bank accounts, and POA arrangements. Encourage the elders to express their concerns without fear or shame.
- Look for Red Flags: Abrupt account changes, refusal to discuss money matters, self-isolation are signs that could indicate financial exploitation.
- Legal Safeguards: Encourage elders to seek out legal advice before granting power of attorney and if possible, designate a trusted family member or friend with documents.
- Financial Institution Involvement: Banks and microfinance institutions, should look out for unusual activity on seniors' accounts and also sensitize members and the public on how to identify signs of financial elder abuse.

As Hon. Gidudu Dominic Mafaabi reminded us in June, "it is everyone's responsibility to look out for the safety of older persons and create awareness to enable them to age with dignity. This is the way for everyone."
Our culture teaches us to honor elders and one of the ways is to protect them from harm– even if that harm is coming from within the family. Financial elder abuse is very rarely committed by strangers; it often comes from within familial circles.
If you have an elderly person that you care about, please start the conversation today.

Pictorial

URBRA's Accounting Officer Ritah Nansasi speaking at the Thought Leaders Forum on pensions 2025

URBRA's Jonathan Ssentamu (Risk and Investment Analyst) speaking at the 9th Meeting of the Financial Sector Stability Forum 2025

The 9th Meeting of the Financial Sector Stability Forum 2025

The Annual meeting of Fund Managers at the Authority 2025

URBRA's Daisy Lynda Nabakooza Head of Supervision and Market Conduct at URBRA presenting at the National Labour Convention 2025

PENSION PLAN UPTAKE SOARS AMID GROWING AWARENESS AMONG INFORMAL WORKERS

By Maureen Kinyanjui
The Eastleighvoice

An increasing number of Kenyans are embracing retirement planning, with the County Pension Fund (CPF) reporting strong growth in both membership and asset base for the year 2024.

This shift, driven by improved financial literacy and tailored pension solutions, signals a growing commitment among workers, especially in the informal sector, to secure their future.

CPF's active membership rose to 94,116 after registering 17,523 new members in 2024 alone.

This surge, supported by a wider sponsor base of 194 entities including county governments, agencies, and private institutions, pushed the fund's net assets up from Sh36.97 billion in 2023 to Sh51.67 billion this year.

The CPF Individual Pension Scheme, designed for the self-employed and informal sector, posted notable performance.

Net assets jumped by 42.4 per cent, from Sh2.88 billion to Sh4.11 billion, highlighting the growing popularity of personal retirement savings plans.

"The scheme declared a 10 per cent interest rate. This growth reflects a growing awareness and appreciation of personal retirement planning, especially among the self-employed and informal sector workers," said CPF Senior Group Executive Director Joseph Rono.

The Local Authorities Pension Trust (LAPTrust), despite being a closed scheme that does not take in new members, also reported steady growth. Net assets rose to Sh28.10 billion from Sh26.99 billion the previous year.

The number of pensioners increased to 9,655, while active membership slightly declined to 13,782 due to natural attrition.

CPF Group CEO Hosea Kili attributed the performance to sound governance and an adaptive investment approach.

"We are keenly focused on growing our schemes through prudent management and strategic

investments. We will continue to work closely with the regulator and seek the invaluable support of the national government to ensure that policies are always aligned with the best interests of our members," Kili said.

Several specialised products under CPF also showed encouraging trends. The Salih Fund, which follows Shariah-compliant principles, saw its membership rise to 9,895, although its asset base slightly decreased to Sh1.1 billion from Sh1.5 billion.

The Post-Retirement Medical Fund (PRMF), aimed at supporting retirees with medical expenses, recorded a rise in assets from Sh32.8 million to Sh55.2 million, with its membership growing to 464 from 370.

Looking ahead, CPF is investing in alternative sectors such as infrastructure. The fund is currently involved as a lead arranger and transaction advisor in projects like the Nairobi–Mombasa Expressway in partnership with Everstrong Capital, and the Talanta Stadium Asset-Backed Security Bond with Linzi Fin Co.

Policy developments have also supported this growth. CPF noted that the government's decision to exempt retirement gratuities from tax, along with the Tax Laws (Amendment) Act, 2024, which raised tax-free contribution limits and simplified compliance, have created a more favourable environment for pension savings.

TAX-FREE PENSIONS MAY SPARK A NEW ERA OF SAVINGS FOR KENYA

By Mwaura Mwangi
Head of Products
Stanbic Bank Kenya

The recently enacted Finance Bill 2025 has introduced sweeping changes to the country's pension and tax framework that will redefine retirement planning while offering much-needed relief to workers grappling with high inflation, constrained incomes, and economic uncertainty. Central to the reform is a landmark provision: all pension and gratuity payments—whether from the public or private sector—are now fully tax-exempt. This eliminates previous disparities and aligns the system with today's employment landscape, where more individuals rely on private schemes for retirement security.

The complexity of modern employment realities, where gig workers, entrepreneurs, and non-traditional professionals increasingly rely on private schemes for retirement security. The bill introduces an administrative innovation with major implications for payroll management and take-home pay. Employers, will now be tasked with applying tax relief and exemptions directly when calculating Pay-As-You-Earn (PAYE). This removes the burden from employees, who previously had to file claims for relief, often delayed or underutilised due to bureaucratic friction or lack of awareness. Taken together, these reforms are more than just tax tweaks they signal a shift in how Kenya treats retirement, savings, and worker welfare. And the timing could not be more appropriate.

A win for workers with household budgets under strain from rising food, fuel, and housing costs, the promise of higher take-home pay through upfront tax relief offers immediate financial breathing room. This is particularly important for middle-income earners, whose marginal tax rates are bit harder even as wages trail inflation. For these workers, an efficient tax relief system is not just about fairness, it's about survival. More broadly, tax-exempt pensions represent a powerful incentive to save.

The private pensions industry stands to gain significantly from these reforms. For years, disparities between public and private schemes, especially around tax treatment—have undermined the appeal of individual pension products. Now, with a level playing field, insurance companies and pension fund managers have a strong value proposition to offer long-term savings vehicles that not only grow tax-free but are also withdrawn tax-free. This could unlock a new wave of uptake, especially among SMEs, gig economy workers, and urban professionals seeking financial security.

In the long term, a more robust pension system could deepen capital markets. Critics may argue that foregoing tax on pensions reduces government revenue at a time when fiscal pressures are already mounting. Yet the broader economic logic supports the reform. The deferred tax revenue loss is marginal compared to the gains in long-term savings, improved social welfare, and potentially higher income tax collections from improved formal sector participation.

In addition, the dedicated pension system proposed for judges—anchored on a defined benefit model, demonstrates the government's recognition of the need for tailored retirement solutions for essential public servants.

While the long-term sustainability of defined benefit schemes remains a global concern, this signals a willingness to invest in institutional strength and continuity. Ultimately, the Finance Bill 2025 provides an opportunity to reimagine retirement as a pillar of economic resilience—not a burden. But legislation is only the first step.

The actual impact will hinge on the speed and clarity of implementation, the capacity of employers to adapt, and the public's awareness of what these changes mean for their financial future. Stanbic Bank Kenya is already at the forefront of this shift with digital savings platforms, tailored retirement solutions, and expert financial guidance. This pension environment calls for partnerships between citizens and established financial institutions to harness in policy opportunities for personal prosperity.

South Africa: National Assembly Approves the Public Pension and Related Payments Bill

The National Assembly, during its hybrid plenary sitting yesterday, approved the Public Sector Pension and Related Payments Bill.

The Bill, introduced by the Minister of Finance as part of the 2025 Budget, proposes that public sector-related pension, post-retirement medical and other benefits in terms of statutory and collective agreement obligations become direct charges against the National Revenue Fund (NRF).

This means the Bill will make it easier for the government to pay pensions and medical benefits to retired public servants, such as former presidents, Members of Parliament, military veterans, and other government employees. Instead of using the National Treasury's budget, these payments will now be made directly from the NRF – the central account for government funds.

The current payment system makes it difficult for National Treasury to pay the benefits, as there are administrative requirements to track which department each retired claimant worked in, causing delays and complications. The new Bill will fix this by simplifying how and where the payments come from.

In line with the requirements of the Money Bills Amendment Procedure and Related Matters Act, the Standing Committee on Appropriations held public hearings and submissions were received from key stakeholders, including the Financial and Fiscal Commission, which supported the Bill's intent but raised concerns regarding fiscal transparency and the clear delineation of responsibilities between the government, the Government Employees Pension Fund and public servants.

The Parliamentary Budget Office agreed with the Bill and said Parliament should always have a chance to approve any changes. The Congress of South African Trade Unions fully supported the Bill, saying it protects pensions and respects worker agreements.

While the Standing Committee supports the Bill, it raised its concern with a clause that says if Parliament does not approve or reject changes to the list of benefits within three months, those changes will automatically become law. The committee does not agree with this and asked the Minister of Finance to remove that clause in the next round of changes.

The committee further recommended that the Minister of Finance report back to Parliament in writing on the concerns raised and that the committee should be kept informed and involved in all future decisions about these pensions.

The NA adopted the Bill and it will now be sent to the National Council of Provinces for concurrence.

Kenyans using pensions for school fees, housing, raising alarm on retirement readiness

Many retirees in Kenya are turning to their pension lump sums to cover needs that should ideally have been addressed before retirement, a new report from the Retirement Benefits Authority has revealed, raising concern over the country's retirement readiness and savings culture.

According to the data, the two most common uses of retirement payouts are paying school fees and building houses, each consuming 16 per cent of the benefits.

While putting up a house may be seen as a stable investment, the equal spending on school fees points to continued financial dependency by family members, undermining the goal of retirement savings.

After school fees and housing, 15 per cent of retirees channel their savings into farming, while 14 per cent start businesses.

Though these ventures may aim to provide income in retirement, they expose pensioners to market and weather risks, often without guaranteed returns.

Other uses include buying land (10 per cent), investing in real estate (8 per cent), and putting money into bank deposits (7 per cent).

These lower-risk options may offer safety but provide limited growth, especially in the face of rising living and healthcare costs. Just two per cent of retirees invested in shares, suggesting either a lack of awareness or fear of high-risk financial products.

The report also shows that a vast majority of employees are not making any extra efforts to secure their retirement.

Only 19 per cent made voluntary contributions, while 81 per cent relied entirely on employer-mandated pension savings.

This raises concerns that most Kenyans may retire without enough funds to maintain a comfortable lifestyle.

When looking at other forms of savings, 49 per cent of retirees said they had money in Saccos, making

them the most preferred savings option outside pensions.

In comparison, only 20 per cent had savings in bank accounts, 5 per cent had insurance-based savings, and 3 per cent in other forms. Alarmingly, 23 per cent had no other savings at all.

The findings paint a picture of a workforce that enters retirement while still carrying the weight of financial obligations and without enough preparation for the long term.

Start saving now, retire with peace of mind

Old age is inevitable, it's on you to make your retirement enjoyable.
Sign up with a Retirement Benefits Scheme licensed by URBRA today and start saving from as little as USh.1000 daily to live an enjoyable retirement.

To find a licensed scheme for you, Contact us on 0417304500 or www.urbra.go.ug
This is a message from the Uganda Retirement Benefits Regulatory Authority.

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