FREE COPY

URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
Protecting your retirement benefits

THE PENSIONERS' JOURNAL

ISSUE 004
JANUARY 2023

HEALTH EDITION

In retirement, good health is worth more than anything – but it requires early planning

ANALYSIS
Efforts to Lessen the Negative Impact of Inflation on Pensions

INTERVIEW
Have your Documents Ready, Seek Guidance from Professionals

FROM THE SECTOR
A day in the life of a fund manager

Mr. George Egaddu
on keeping fit and healthy

URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
Protecting your retirement benefits

ABOUT US

Uganda Retirement Benefits Regulatory Authority is an autonomous body established by virtue of section 2 of the Uganda Retirement Benefits Regulatory Authority Act 2011

OUR MANDATE

Supervise and regulate the establishment, management and operation of Retirement Benefits schemes and protect the interests of members and beneficiaries of retirement benefits schemes in Uganda

OUR VISION

A vibrant, secure and sustainable retirement benefits sector

OUR MISSION

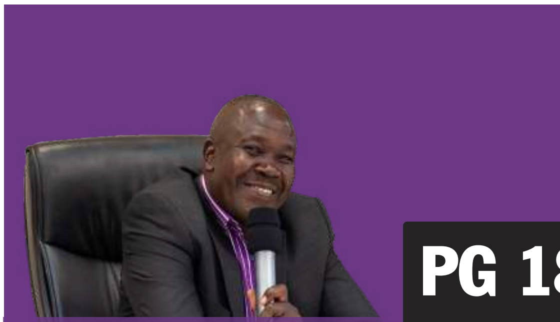
To Regulate, Supervise and promote the development of a stable and effective retirement benefits Sector

CORE VALUES

- Proficiency
- Integrity
- Innovation
- Transparency
- Accountability

3rd -6th Floor. Plot 1, Clement Hill Rd P.O Box 7561 Kampala
+256(0) 417 304 500 • +256(0) 200 513 500 • +256(0) 312 524 500
urbra@urbra.go.ug www.urbra.go.ug urbraUg @urbraUg

TABLE OF CONTENTS



CREDITS

PUBLISHED BY

UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

4th-6th Floor
Plot 1 Clement Hill Rd.
P.O.Box 7561, Kampala
Tel: +256 417 304 500,
+256 312 324 500
+256 200 513 500
Email: urbra@urbra.go.ug
Website: www.urbra.go.ug

PUBLISHER'S NOTE

RETIREMENT IS A PROCESS NOT AN EVENT

What comes to mind when you think of retirement? For some it's the quiet idyllic life, defined by good health and all the fine things one ever wanted. For others, the thought of retirement stirs up anxiety, facing the prospect of reduced income, reduced interaction, oncoming health conditions... Many people never come to a position where they feel adequately prepared for retirement.

Yet retirement is inevitable, especially if there aren't any intervening factors to interrupt the normal course of life. Retirement is not a surprise event; rather is it is a stage we progressively move to everyday of our lives. Since we all see retirement coming closer day by day, we have no excuse but to prepare for it. But somehow, many people get caught up in unpreparedness and find life in retirement quite unbearable.

There's an assumption that retirement preparedness is all about accumulating savings and investments. The non-monetary aspects of retirement get less attention. But every prospective retiree ought to stop and think: where shall I spend my retirement and with who? Is my house customized to the requirements of old age? What shall I do about my health care? These are seemingly simple, but very important questions.

In this issue of ***The Pensioners' Journal***, we highlight health as one of the key areas of retirement planning. Through the experiences of various retirees, health service providers, caretakers, we generate ideas on how to navigate the health challenges that come along with old age. How does one keep fit? At what point in life should you start exercising? What challenges await those who choose to take care of older persons? How do retirees access healthcare? How do they prepare for a retirement of good health?

Healthcare for the elderly must start long before one reaches retirement. Good feeding, regular exercise, networking with friends and relatives. The discipline and benefits of healthful feeding and regular exercise start during one's younger years and go into retirement.

Cashflow makes much sense when all other aspects are well thought through. Cashflow is an enabler of a well-planned retirement, and a fruit of long-term saving and investment.

There's no denying that saving and investment are affected by prevailing economic conditions. When the economy takes a beating from factors like high inflation and war, then investments will be negatively affected. But also, at anyone time, there are retirees who are trying to spend enjoy a good life with their hard-earned savings, meaning that economic conditions also determine the actual value of pensions and retirement savings. But how can political players, policy makers and governments help the elderly weather the storms of high inflation and increasing cost of living? ***The Pensioners' Journal*** presents an analysis of the key factors and considerations to lessen the negative impact of inflation on pensions.

I have faith that this rich compilation of articles will enable you our dear reader to gain more perspectives on the key issues regarding preparation for retirement.

Please don't hesitate to share your feedback and ideas on what topics ***The Pensioners' Journal*** ought to cover. PJ

Martin A. Nsubuga
Chief Executive Officer

FOREWORD

THE PENSIONS SECTOR CONTINUES TO GROW

Fellow countrymen, greetings from URBRA Board and staff.

It is always a pleasure to share with you our stakeholders, key issues concerning retirement planning and preparedness.

One of the key functions of URBRA is to create public awareness and understanding of the importance of retirement saving. With increased public appreciation of long-term retirement saving, there will be better social security, and accelerated national development.

The retirement benefits sector remains a key contributor to the national economy. Apart from contribution to the national GDP, the sector also contributes to gross domestic savings. Currently, sector assets under management are worth over UGX20 trillion compared to less than UGX 4 trillion in 2014.

Perhaps more significant is the fact that retirement planning and saving makes it possible for people to continue contributing to the economy even when they stop working. For example, retirees procure key services like healthcare, recreation etc.

With particular reference to health in retirement, it is worth noting that a healthy population (regardless of age) is good for the economy. Healthy people are useful in all imaginable ways. They contribute to their communities, they support their family members, they consume products, they offer many services in retirement for example the retired DEO of Kitagwenda District who chairs various committees in his sub county.

It is therefore important for us to pay attention to the aspect of health in retirement – which is the lead theme of this edition of ***The Pensioners' Journal***.

It may not be possible to exhaust all the issues there are about health in retirement, but I hope that the articles in this issue will trigger your interest in the matter.

It may not be possible to exhaust all the issues there are about health in retirement, but I hope that the articles in this issue will trigger your interest in the matter.

I wish to express my gratitude to all who have contributed to this edition of ***The Pensioners' Journal***. Particularly, I thank those who have shared their stories to inspire other readers. I also thank the Editorial Team for the time and effort invested in producing this issue.

May it enrich all who read it.

For God and My Country

Hon. Julius Junjura Bigirwa
Chairman, Board of Directors

URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY
Protecting your retirement benefits

OUR SERVICES

- We license Retirement Benefits Schemes, Trustees and Service Providers
- We supervise schemes and service providers in the Retirement Benefits Sector
- We conduct research and provide information about the sector
- We handle complaints relating to Retirement Benefits
- We make sector Policies and Regulations
- We sensitize the public on saving for retirement

URBRA is an oversight body and NOT a Retirement Benefi


Make no mistake ;
only save with a licensed
retirement benefits scheme.
URBRA

EFFORTS TO LESSEN THE NEGATIVE IMPACT OF INFLATION ON PENSIONS

Inflation has reached levels never seen in the last four decades, disproportionally hitting the most vulnerable, low-income households. While efforts are underway to curb inflationary pressures and support households, inflation has continued to increase in several countries and is expected to remain high for a while. These excerpts from the OECD policy brief on How inflation challenges pensions, highlight perspectives and proposals on how to lessen the negative impact of inflation on pensions. The policy brief was published in December 2022 and can be accessed at: http://www.oecd.org/pensions

The current spike in inflation is the result of several factors. Excess demand, partly driven by the support measures taken to respond to the economic impact of COVID-19, has contributed to rising inflation in some countries. The pattern of price increases between mid-2020 and mid-2022 suggests that pandemic-related effects account for a sizeable share of the increase in headline inflation during that period. Russia's war against Ukraine has led to a sharp increase in the price of some goods, leading to a change in relative prices and a further boost to the general price level.

Steep increases in the prices of energy and food are causing hardship for low-income earners, raising significant challenges for social policies. There are worrying reports of growing numbers of low-income families cutting back on essential expenditures.

What is so special today about the way pensions adjust?

Pension indexation mechanisms are central to policy responses in periods of high inflation. Indexation refers to how pensions in payment grow over time, i.e. increasing pensions automatically in line with the increase in prices, wages or any other chosen index.

The current, episode of high inflation reverses the standard way of thinking about pension indexation. As nominal wage increases have been lower than price inflation, real wages have been falling despite tight labour markets in many countries. This in turn makes price indexation a more favourable protection than wage indexation, at least in the short term. It also means that price indexation may be more costly than anticipated, boosting pension spending as a share of GDP given that pension revenues tend to follow total wages. In short, high inflation turns the standard reasoning about price indexation upside down.

There are three main questions in the current context:

Should countries adjust pensions in line with price inflation to avoid losses in purchasing power?

Should countries that index pensions to wages or to a mix of prices and wages deviate temporarily from the rule and ensure an adjustment in line with price inflation?

Should countries that have a price indexation rule apply it fully given the size of the change the rule generates in this period of high inflation and given the needed adjustment the overall economy has to go through?

Aggregate net losses in real terms raise the question of who should bear the cost. This exceptional situation puts the emphasis on sharing the burden of the adjustment as broadly as possible. Even though arguments for having automatic indexation as a norm are strong, it may be fair in times of economic and fiscal pressure that pensioners bear some of the pain with reduced benefit adjustments. The price adjustment of pensions above a certain threshold might therefore be difficult to justify.

Why indexation matters so much for pensions

Pension indexation matters given that it affects the income of a large and increasing number of older people and given the large size of pension expenditure as a share of GDP. Without indexation, benefit increases are subject to discretionary decisions by governments or pension authorities, implying that the value of a pension in payment depends on economic and political cycles.

Indexation of pensions is critical because these benefits are typically paid over a long period and are by and large the main income source for many pensioners. In the absence of indexation, the purchasing power of old-age benefits would gradually be eroded by inflation. If, for example, pension payments were to follow inflation minus 0.5% per year, pensioners would lose about 7% in real income after 15 years into retirement; the loss in the net present value of total pension payments during the full retirement period would also be equal to about 7%.

Pension indexation mechanisms are central to policy responses in periods of high inflation. Indexation refers to how pensions in payment grow over time, i.e. increasing pensions automatically in line with the increase in prices, wages or any other chosen index.

Beyond its direct impact, high inflation typically comes with large volatility and its associated uncertainty, which generates stress. In general, pensioners tend to have less flexibility to adjust to changing circumstances than younger people, who can work more or change consumption patterns more easily. Also, older people often want to avoid risks to a greater extent than younger groups. This means that pensioners are probably less able to deal with uncertainty and negative shocks affecting their real income.

Indexing pension benefits to prices in particular has made it easier for retirees to live with inflation as this keeps their purchasing power constant. By accounting for inflation and removing the need for political agreement to maintain the purchasing power of pensioners, indexation has substantially reduced uncertainty through offering older people a predictable real income stream.

Price versus wage indexation

Despite the widespread existence of pension indexation rules nowadays, the adjustment of pension benefits remains an important policy issue. As discussed above, price indexation stabilises the purchasing power of retirees – at least to the extent that the price index used for the adjustment of pension benefits does not differ much from their cost of living. By contrast, wage indexation of pensions aims at maintaining the relative income position of pensioners throughout the retirement period.

In normal times, wages grow in real terms, i.e. nominal wages grow faster than prices, fuelled by productivity growth. This means that for a given level of pension benefit at the moment of retirement, total pensions received during the retirement period tend to be much higher under wage than under price indexation. Wage indexation thus allows pensioners to benefit from productivity gains and an increase of living standards over time.

Enforcement of the rules

As with other automatic adjustment mechanisms, policy makers typically maintain the power to change the indexation rule if they no longer deem its outcomes desirable. However, frequent changes to the indexation rule defeat one main purpose of the mechanism, i.e. to improve predictability and diminish uncertainty about preserving purchasing power. Hence, it is important to strike the right balance: ensuring stability while keeping the possibility to adjust the rules when conditions change markedly.

In practice, the political cycle might influence deviations from the rules; before elections, for example, pensions might be increased by more than implied by the rules. The economic cycle also sometimes leads to the suspension of indexation rules, in particular to deal with financial pressure in a low-growth or crisis environment. Limiting pension increases thus generates a pro-cyclical response that amplifies cyclical effects.

Notwithstanding these limitations in the application of the rules, pension indexation has become the norm over time, which has been one great development of the second half of the 20th century.

Recent measures taken to help pensioners cope with inflation

Among countries with a price indexation of pension benefits, the best way to protect pensioners in current circumstances is to apply the indexation rule in a timely manner. Many countries have followed the price rule, including Australia, Belgium, the Czech Republic, New Zealand and the United States. In the Czech Republic in 2022, while the standard rule is to adjust pensions in January, there have been exceptional adjustments in June and September due to high inflation.

The full adjustment of all pension benefits in line with price inflation may be too costly. If so, various alternatives exist. The first is to partially index all benefits whatever their initial level, for example adjusting benefits by 70% of price inflation. Due to partial indexation, all pensioners lose in real terms, and they lose the same percent of their purchasing power (say 3% if inflation is 10% and there is a 0.7 partial indexation).

An alternative is to partially index while paying a flat-rate supplement to everyone. When comparing partial indexation without and with a flat-rate payment in a budget neutral way – that is for the same level of total spending decided by policy makers – the indexation rate with a flat-rate payment is of course lower given the need to offset the cost of the flat-rate addition (say a 0.5 partial indexation instead of 0.7 without the flat-rate payment). This means that the option including the flat-rate payment may ensure a full protection of the lowest pension (if so decided) at a greater cost for high enough pensions (as for them the indexation rate, which is then lower, is the key parameter).

There are two other alternatives to the flat-rate supplement. The first one consists in fully adjusting pensions up to a threshold. That way the range of pensioners fully protected is broader than only those receiving the minimum old-age benefit (the lowest income). This is costly of course and, in a budget-

neutral way, this implies that the indexation rate above the threshold has to be even lower. Another possibility is to fully index up to a threshold and partially index beyond the threshold but up to a cap where further indexation stops.[5] The cap allows to better protect intermediary pensions at a larger cost for high-income pensioners for a given level of total spending.

There are thus two main questions to design an adequate reaction to exceptional inflation. The first relates to setting priorities in terms of the population to be protected. The second is about the calibration of the response.

The political choice and fiscal space determine the indexation rates. If the decision is made to fully protect the lowest pensions against inflation, several options exist. The precise policy response depends on the range of pensions to be fully protected, on whether some efforts should also be devoted to protecting intermediary pensions and on how much the high pensions lose in real terms as a consequence of concentrating the adjustments on the lower pensions, thus leaving less funding available for the adjustment of higher pensions.

The cost-of-living crisis is evolving, and so are governments' responses to it. Price subsidies or regulations that were put in place early-on may have limited the initial budget crunch for households, including those with low incomes who spend large shares on energy and food. However, in general a multitude of initiatives in different policy domains raises the possibility of redundant or overlapping measures such as with the combination of targeted income support and price adjustment of benefits. It will be important to keep monitoring the net effects of support measures on different groups, and to adjust the scale and targeting of cost-of-living aid accordingly.

A trigger to revise the inflation index?

Using the GDP deflator as the price index, reflecting what the economy produces, would capture inflationary pressure and be more consistent with a protection that the economy can afford. The main drawback, however, is that this runs counter to meeting the objective of protecting the purchasing power of individuals when faced with negative terms of trade shocks, which is precisely when prices from the GDP deflator and the CPI diverge. It is therefore not a realistic alternative to CPI.

There has already been some controversy about whether the CPI itself constitutes a good measure of changes in the cost of living. In the United Stated, for example, the Bureau of Labor Statistics has revised the CPI methodology to correct some of its limitations (INSEE, 2022). In the United Kingdom, the retail price index (RPI) was used to uprate the State pension, but severe drawbacks were highlighted in its methodology.

Beyond these methodological discussions, there have been debates in some countries about the limitations of using the CPI in pension indexation to capture changes in the cost of living of retirees. The main related questions refer to the appropriate basket of goods and services to take into account. For example, the consumption basket of pensioners might be skewed towards health care, while other expenses that the working-age population generally incur might be less relevant. However, since mid-2021, inflation is estimated to have more affected older people than other age groups.

Differences in consumption patterns may be larger across income levels than between working-age and old-age households. If the objective of price indexation were to better protect the purchasing power of low-income pensioners, this would suggest considering a price index better reflecting the consumption basket of individuals with low income. This discussion illustrates that such a fine-tuning to better align to policy objectives is likely to create complexities. It begs the questions whether a refined index is better than standard CPI combined with discretionary adjustments in truly exceptional circumstances PJ

How to file a Retirement Benefits Complaint

THE REPUBLIC OF UGANDA

URBRA

Protecting your retirement benefits

STEP 1

- Complaints should first be raised preferably in writing with the trustees of the concerned scheme. Public Service Pension Scheme complainants should first raise the complaint with their former district of employment or former government employer.

STEP 2

If the complaint is not dealt with to a reasonable conclusion, the complainant may file a complaint with the URBRA complaint's unit.

How to raise the complaint

Pick, fill and submit the complaints form at the URBRA offices or fill and submit the complaints form using the URBRA website or record an oral complaint with the URBRA complaint's unit that shall be reduced into writing and signed by the complainant.

STEP 3

- If the URBRA Complaints unit does not resolve the matter to the complainant's satisfaction the complainant may raise it with the URBRA Chief Executive officer.

Clement Hill Rd (3rd - 6th Floor) Opposite Tanzanian High Commission P.O. Box 7561, Kampala

www.urbra.go.ug +256 417 304 500 urbra@urbra.go.ug @urbraUg urbraUg

Things to know before Filing a Retirement Benefits Complaint

Types of complaints handled by the URBRA Complaints Unit

The URBRA Complaints Unit handles written complaints about the business practices of retirement benefits schemes and regulated entities offering services in the retirement benefits sector including-

(1) Un paid retirement benefits;

(2) Under paid or wrongly computed retirement benefits; and

(3) Unfair treatment of members or retirement benefits schemes.

Types of complaints not handled by the URBRA Complaints Unit

URBRA cannot deal with or investigate Complaints: -

a) Being dealt with by a court or an alternative dispute resolution process.

b) which fall under the mandate of another regulatory Authority such as the Capital Markets Authority, Insurance Regulatory Authority, Financial Intelligence Authority or Bank of Uganda)

c) which have already been dealt with by the URBRA Complaints Unit.

d) where the matter requires to determine which party is liable.

e) where the complainant fails to, or refuse to put their complaints in writing.

f) where the complainant fails to, or refuses to provide the required supporting documents.

Documents to be attached to support a complaint in case you are a former employee in the Public Service.

A former employee in the Public Service should attach to his or her complaint the following supporting documents-

(1) Retirement letter issued by the Responsible Officer at Vote (only for Mandatory retirement).

(2) Retirement letter issued by Ministry of Public Service (in case of Early retirement)

(3) Letter of first appointment.

(4) Letter of confirmation.

(5) Proof that you filed a claim for payment of your pension.

(6) Proof that you first raised the matter with the Responsible Officer at Vote where you retired from. (In case a response was given, attach a copy of the response).

(7) IPPS Number

(8) Any other relevant document to support your complaint.

Documents to be attached to support a complaint in case of a member of a licensed retirement benefits scheme.

A member of a licensed retirement benefits scheme should attach to his or her complaint the following supporting documents-

(1) Proof of membership to the retirement benefits scheme.

(2) Individual Scheme membership number.

(3) Proof that you first raised the matter with the trustees of the retirement benefits scheme. (In case a response was given, attach a copy of the response).

(4) Any other relevant document to support your complaint.

Clement Hill Rd (3rd - 6th Floor) Opposite Tanzanian High Commission P.O. Box 7561, Kampala
www.urbra.go.ug +256 417 304 500 urbra@urbra.go.ug @urbraUg urbraUg

IN RETIREMENT, GOOD HEALTH IS WORTH MORE THAN ANYTHING – BUT IT REQUIRES EARLY PLANNING

Old age, rising medical demands and reduced income are almost synonymous with retirement. Yet, for many in Uganda, medical insurance cover expires with employment, and insurance companies don't easily take on clients in advanced age regarding them as high risk. To cater for one's health needs, it is advisable to plan and prepare long before retirement. Key considerations include: who will be your health service provider? How will you pay the bills? Who will be your caretaker at home?

Pensioners' Journal interacted with retirees who shared their experiences on how they transitioned into retirement, especially with regard to their health.

RETIRED MEDIC NAGUJJA ENJOYS CLOSE FAMILY TIES AND THE TRANQUILLITY OF NATURE

Dr. Nagujja at her home in Lwanda, Kiwanga

After 32 years in medical service, Angela Nagujja retired in 2010 at 60. She had served nine years at Kawolo Hospital, in Lugazi, after which Uganda Catholic Medical Bureau deployed her to St. Francis Naggalama Hospital, in Mukono in 1989, where she served as Medical Superintendent.

By the time she retired in 2010, she had already built her three-bedroom self-contained house near her parents' home. With her background in medical practice, she knew very well the importance of personal health and wellbeing. She was very much aware of the fact that old age ushers in medical demands alongside falling incomes.

In terms of health, Nagujja has been hypertensive for the last 39 years. It all started when she was pregnant with her first child. In 2021, she suffered a mild stroke, which affected her speech.

"I was in a conversation with my relative, just across there, and I realised I couldn't talk," she recalls. She didn't take it seriously and slept without checking her pressure, as she usually did. When she woke up, she was not any better so she visited the hospital where it was confirmed that her pressure was worryingly above normal. Thankfully, she got treatment and although she still has a slight speech problem, she is largely fine. She can afford a beautiful smile and a hearty laugh and only goes for check-up once in six months. In her condition, Nagujja says eats everything and drinks everything. "I just cut down on salt to contain my blood pressure," she says.

On the Saturday, ***Pensioners' Journal*** visited Nagujja at her home in Lwanda, Kiwanga near Namanve Industrial Park, she had just harvested indigenous mushrooms from her garden. She changed into a light-blue sleeveless dress, fastening her lean body with a black fabric belt. She had plaited her hair; wore black crocs and socks and a golden necklace. At 72, she looks just fine.

Nagujja says she digs Monday to Friday 8-11am, except when she attends other commitments like burials and visiting the hospital. "I dig mainly for exercise and leisure," she said. "When I sweat enough, I stop."

The ambience around her home speaks of good health and a happy retirement. A Green lawn borders her veranda. A guava tree outside her fence enriches her organic juice; the banana trees enjoying the hilly fertile soils in her garden occasionally make her meals. Primates eat her jackfruits and shred her yam plants "but it's no big deal." The ambience is cool and healthy. She has all the basic electronics, with a steady power supply. Her tank taps rain and piped water.

She enjoys the company of her nephews who occupy the quarters outside her house. But mostly, she enjoys her little, curious granddaughter, Alena. Nagujja is a regular churchgoer, attends medical conferences, and activities at the schools where she is a Board member.

All the beauty and tranquillity around her, leans on a reliable cashflow. After retirement, Nagujja never worked again, even in the three years before she got her gratuity and pension. But her children—one works with UNICEF, the other with the Private Sector Foundation Uganda—have been very supportive. Her sage advice is: "Plan for your retirement; it's the only way you can handle the anxiety of retirement," Nagujja says, and above all "Trust in God." PJ

Nagujja enjoys the company of her nephews who occupy the quarters outside her house. But mostly, she enjoys her little, curious granddaughter, Alena.

A HEALTHY DIET, REGULAR EXERCISE AND A SOCIAL LIFE DEFINE EGADDU'S RETIREMENT

Mr. George Egaddu, a retired Accountant & Golfer

Since 1974, when George Egaddu signed a partnership with Coopers & Lybrand (now PricewaterhouseCoopers), Kampala office, as a chartered accountant, it was clear he would retire at 60. As his job was not pensionable, he started saving early. By 2003, when he retired, only his first-born had graduated but, in the end, all his five children graduated from universities in the UK – thanks to his saving habits.

Health profile

Egaddu hardly ever falls sick, which he attributes to strong genes he inherited from his parents. His father died at 89, his mother at 81. But like Nagujja, Egaddu was diagnosed with hypertension, when he was about 50. Since then, he takes a tablet a day to manage the condition. He also takes cardio-aspirin, a blood thinner, since he suffered a blood clot in his lower left leg a few years back.

Among his key considerations for good health, are nutrition and adequate sleep. Egaddu balances his diet in three meals daily: a heavy breakfast, by 10am; a heavy lunch between 1pm and 3pm and a light supper by 9pm, though sometimes he can have it later. "I never miss meals. I don't smoke. I only smoked other people's cigarettes when I was a child and maybe through passive smoking," Egaddu explains his good health at 80. "I love my beer, but I take it in moderation; I don't get drunk." He sleeps at least six hours a night and occasionally takes a nap during the day.

Exercise and socialisation remain key aspects of his life. He has been a sporty person since his younger years. At Mwiri College, Kings College Buddo and Newcastle University in UK, Egaddu was a sprinter and hurdler. But for the last 40 years, golf is almost his everything. "Unlike football and athletics, you can play golf at any age," says Egaddu, who led the Uganda Golf Union from 1988 to 2001. Recently, he was in Marrakech Morocco, playing on world class courses, lodging in lavish hotels.

Pensioners' Journal had the opportunity to see him in action at the Kitante Golf Course, home of Uganda Golf Club. Egaddu struck a ball about 100m away and a second one about 130m away. "That was just a demo. But in a competition, I can do 200m," he says proudly. Incredible for an 80-year-old!

To him golf is more than the trophies that fill his cabinet. It's also about social wellbeing. At the golf club he meets friends, young and old, and they get to chat about anything. The four hours he spends playing and walking, from one hole to another, head-high, has helped to keep his tall frame straight. He adds that the ever-green course also enhances his health.

"Golf also trained us to be good time managers," he says, explaining that if you must tee-off at 9:10am and you come late, you are penalised according to the number of minutes you have lost. Sometimes you play but your points won't count.

That's how Egaddu has avoided the calamity-prone boda-bodas, an addiction for most city dwellers. "I start driving for my journeys in time or walk," says Egaddu. He is so used to walking that whenever he sits for three hours, he breaks with a 200m-walk.

To maintain a steady cash flow, Egaddu looks to his investments and offers consultancy services. After building his home in Bugoloobi, a Kampala suburb, Egaddu invested in especially residential property. But he also continued working, serving as Board Member of Uganda Revenue Authority; National Drug Authority; National Medical Stores; National Forestry Authority. Egaddu also does consultancy work for different companies. "It's not much money but it's better than drinking from a pot without refilling it," he says.

To retirees and potential retirees, Egaddu says if you can afford, eat a balanced diet: all foods at different times in right proportions. "On a very busy day, you can pick a snack. But missing meals shouldn't become a habit."

He also advocates for regular medical check-ups for blood pressure, diabetes, and such old-age diseases. "Better you know early than when the damage is beyond repair."

On getting financial support from children, Egaddu says not all retirees are lucky, because "children have their bills to pay." He advocates for "saving for a purpose and realistically, within your means, not in competition with others." PJ

VOLUNTARY EARLY RETIREMENT WAS A STITCH IN TIME FOR BYARUGABA'S HEALTH

Veteran Boxing Coach & retired professional boxer, Vicky Byarugaba

While Nagujja and Egaddu retired after the official age of 60, Vicky Byarugaba's case is unique. He had been to every amateur boxing event and won several honours but his loss to France's Christophe Tiozzo at the 1984 Olympics in Los Angeles, USA, rang serious warning bells in his mind.

"I could no longer do basic reactions like ducking, side-stepping; things I used to do with ease," the former light middleweight remembers. "I couldn't defend myself against attacks meaning I could become a punching bag, which could affect me in the future."

That was the time Muhammad Ali, at age 42, was diagnosed with Parkinson's disease—a brain disorder that causes unintended or uncontrollable movements, such as shaking, stiffness, and difficulty with balance and coordination. The world's greatest boxer was famed for his poetic trash-talk against opponents, but future research showed Ali's speech had slowed by 26 percent from the age of 26 to 39.

Byarugaba retired at 30, resisting persuasions from his friends like John Mugabi, Ayub Kalule, who were minting money as professionals in Europe and America. To cope with the transition, Byarugaba joined coaching and administration. He also did routine running, later jogging and nowadays, he walks 10km thrice a week.

At 68, Byarugaba does not regret retiring early, comparing his health to that of his age-mates, who fought for longer. He says many of them have slowed speech, one of the symptoms of neurodegenerative disorders.

He thus cautions athletes in combat sports like boxing, kickboxing, martial arts: "Listen to your body. It will tell you when it's time to quit."

Besides the early decision to avoid Parkinson's and other boxing-related conditions, Byarugaba is also free from the chronicle diseases like diabetes, hypertension, and cancer, among others, which are common with people his age.

"Most of my friends struggle with those diseases but by God's grace I am free from all," he said.

Early retirement from boxing wasn't such a bad choice after all PJ

Vicky Byarugaba against Norwegian Simen Auseth at the 1984 summer Olympics in Los Angeles. Courtesy Photo

CARING FOR THE ELDERLY

FINANCES, COMPASSION, COMPANY

Good Samaritan Sisters with some of the elderly residents at Mapera Bakateyamba home

It is about 10 O'clock in the morning, and the compound of Mapera Bakateyamba's home in Nalukolongo, is a hive of activity. The elderly, work in groups. Some are sorting beans while others are cleaning and picking weeds from the lawn. Sister Mary Lawrence Nakiwu who heads the Good Samaritan at Mapera Bakateyamba's home notes that majority of older persons at the home are vulnerable, in need of financial and emotional support.

"Most of them are old and frail, while others are homeless, but our calling is to serve them and reduce their suffering," Sister Nakiwu says.

Caring for the elderly is both challenging and fulfilling. More than anything, it requires resources – financial and otherwise. The question is: what is the best way to ensure the availability of requisite resources to ensure a happy retirement for all?

While reflecting on the need for resources for elderly care, it is important to appreciate that population of older persons is growing fastest in developing countries and it is projected that by 2050 there will be more older persons compared to children aged 14 and below. Specifically, for Uganda, the Household Survey of 2019 estimates that there are 1.7 million older persons and the population is likely to double in the next ten years, meaning that the need for elderly care will follow suit.

Perhaps the biggest need for older persons is healthcare. Many older persons experience a wide range of health complications. As they grow older, their need for quality health care increases, yet the ability to access medical services decreases owing to frailty, immobility, and lack of resources. Indeed, many older persons die prematurely from preventable diseases. One way to increase chances of accessing quality healthcare in old age, is to prepare for retirement and old age.

Dr. Fredrick Nakwagala, a geriatrician (a specialist handling health issues of older persons) working with Mulago National Referral Hospital says it is important for caretakers to know the common health conditions that afflict older persons, which include:

Arthritis, muscle pain or joint disease and osteoporosis. These come as a result of the wear and tear in different parts of the body. The bones get weaker due to reduced calcium. For women, once they hit menopause, their bones begin to dissolve. The men are not spared either. After 65 years when their male hormones begin to reduce, their bones as well start to dissolve.

Mental illnesses and depression. Many elderly people feel isolated or marginalised, thanks to outdated stereotypes about senior citizens. They begin to see themselves as failures and misfits. For example, many suffer from dementia which causes memory loss, poor judgement and forgetfulness, compromising the sufferer's social skills and daily functioning.

Organ diseases such as kidney and liver disease are also common among the elderly because organ degeneration is part of the normal aging process. Cardiovascular diseases for example the high blood pressure; diabetes as the pancreas changes; different cancers that come with age; and not to forget visual and hearing impairment.

With the onset of such a varied array of health complications, elderly care becomes a special, and indeed challenging, vocation. A caretaker must prepare for all these challenges.

Caring for older persons

Older persons need social attention – which brings into context, homes like the Mapera Bakateyamba home in Nalukolongo.

The Good Samaritan Sisters have provided a home for many who would otherwise be destitute. "When they come together, work together, sing together, do different activities together, life becomes more bearable." Sister Nakiwu says. Additionally, the elderly need to remain connected with their social networks. These could be former workmates, community friends, relatives and close family.

At the Nalukolongo home, many of the elderly clients are residents and fully depend on the Good Samaritan Sisters for all provisions. They require assistive devices to ease their impairments and infirmities. For example, those who cannot walk require crutches; those who cannot see require glasses and those with hearing impairment require hearing aids. It is therefore important for caretakers to know all these requirements. This begs the question: what about those who are not in a care home like Nalukolongo, how do they navigate the challenges of infirmity and loneliness? The question of non-financial aspects of retirement then carries a lot of meaning. If during their heyday they prepared for old age, then the problem would be more than halved. Otherwise without any savings or investments, it becomes challenging for a care giver to offer all the required support.

How to prepare for better health in old age

Individuals who are growing older and retiring from active engagements should be in good health. For example, they should learn proper health practices so as to age gracefully. These include healthy eating habits, engaging in regular exercise, seeking medical check-up regularly.

Dr. Fredrick Nakwagala, advises to have regular medical checks without waiting for symptoms. "It is important to have regular check-ups so that health conditions that are cropping up are analysed early," he says, adding that those who are not sick should have medical check-up once a year. Those already battling with health conditions, should follow the doctors' recommendations or adhere to medication. He notes that there are many older people who know their diseases but do not adhere to treatment.

Sr. Lawrence Nakiwu, The Home Administrator

On eating habits, Dr Nakwagala says older persons should avoid under-nutrition and over nutrition. "If an individual is undernourished or over-nourished, they end up developing health complications," Dr. Nakwagala advises. It is important to adhere to a balanced/ proper diet. He recommends a high fibre diet for example eating plenty of fruits and vegetables because it prevents several diseases.

"People have ignored good health practices. For example, they do not exercise regularly, do not eat healthy and by the time they grow old, they are already in a state of poor health." He warns that it is difficult to reverse the situation once one's health has already deteriorated. Dr. Nakwagala further advises people to get vaccinated against immunisable diseases for example pneumonia, COVID 19, tetanus.

A concept of self-care should be emphasized, and this calls for people being knowledgeable about what they are doing. As such there should be increased health education/ sensitization because when people are educated, they tend to look after themselves better than those who are not educated.

At a higher level, many suggest that older persons should be accorded universal health insurance as part of social protection. There is need to improve the quality of health services particularly in the rural areas and paying specific attention to older persons' diseases. Having the personnel who are qualified to handle health issues of older persons. For example, geriatricians and geriatric nurses, physiotherapist who know how to handle frail and brittle bones of older persons. The other intervention is to ensure older persons have income so that they know that when they need it, they are able to access health services and pay for it.

Saving for retirement

Aside from good health practices, senior citizens also need cashflow to enable them access the amenities and health care. One needs cashflow to be able to undertake the recommended regular tests; purchase the recommended health-giving foods; facilitate the caretaker; and attend the necessary social networking activities. While retirement plans may not be evolving at the same pace as the advancements in healthcare, they always provide a starting point. It is much easier on caretakers if the senior citizen has at least a fund somewhere. It is therefore still important for all to prepare for retirement and old-age by saving and investing PJ

Some Elderly people at the home sorting beans

DO NOT FOOL YOURSELF WITH OFFICE PERKS

ONAPITO EKOMOLOIT

Onapito Ekomoloit is the Director Legal and Corporate Affairs at Nile Breweries. Though still in employment, his eyes are set on retirement, giving no room to unpreparedness. During the pensions conference organized by Zamara in Kampala, he shared about his desires, fears, and plans for retirement.

Though I am still in employment, I feel and live like a retiree. When I listen to people who are really retired, I get anxious and wonder if I am ready. One thing's for sure, I've purposed to retire some day and I'm deliberately considering how to make it worthwhile.

Retire to relax, not to be self-employed. I want to be retired without having to meet the expectations of other people – deadlines, reports, templates etc. I want my money to work for itself.

Retire and replicate current comfort zone: Majority of elite in Uganda are former peasants and they fear to face the reality they outgrew. The luxury of a working life is good compared to life in the village. If I am to retire, I would like to replicate the comfort zone I currently enjoy. I intend to return to my roots, so from the word go I knew I had to create that comfort zone. That zone consists of a house, dressing, medical care, good meals and a good ambience. I would like to take a shower for granted, or TV or a car! Can I change my home in Katakwi to be like my home in Kampala? It requires money and that has been my major preoccupation.

Live as though already in retirement: I decided to live three quarters of my time in what I consider to be my retirement world, so I won't be shocked by the change. For ten years now, I have purposed for my expenditures not to be related to my salary or even my office. I have not fooled myself with the perks of office. As a preparation for retirement, much of my expenditure is not off my pay cheque. The biggest issue in Uganda is living off the office rather than the pay cheque.

Spend less today to have more tomorrow: Money is a key consideration in retirement planning. People tend to think, will I reach retirement? What about the now? Try to do a 50-50 split between now and retirement. Believing that you need to spend less today and have more tomorrow, that prepares you for retirement. I am a champion of voluntary saving because I don't want to see my colleagues gnashing after leaving employment. I have taken up insurance policies through a leap of faith.

Retirement is a process, not an event. You must purpose to retire or you will die on the job. Create your comfort zone because without it, retirement will be a nightmare. Be generous enough to leave for future generations.

Death should be a guiding pillar: If you know that death is coming, that will enable you to prepare and plan for retirement. Death is feared in Africa and people have no timeline for it. We have no timeline for our life, which means we don't have a sense of retirement.

The love for recognition. The fear of disappearing below the radar. That scares people off retirement. Try and become a community member beyond your work. Be known by the community

HAVE THE COURAGE TO RETIRE EARLY
SOLOMON RUBONDO

Solomon Rubondo opted for early retirement in 2012 at the peak of his career. He was 48. He was a celebrated executive in the insurance sector, with all the perks laid out before him. Soon after he stepped down, he realized that he was a simple SOLOMON without the executive titles. In the beginning it wasn't easy, but he was ready for it all because he had prepared mentally and otherwise. He had built a home and had always tried to live independent of his big jobs.

In the build up to retirement, Rubondo had engaged a counsellor who had given him some wise counsel summarized in three points:

- You have to convince your wife
- You have to budget for money to sustain you for the first nine months
- Part with your employer on a happy note – he may make your life hard.

With those tips at the back of his mind, he embarked on the journey of early retirement. "I told my wife about the plan and gave her two weeks to think about it. Surprisingly, she needed no convincing. I got the blessing of my employer. I put my property up for sale so that I would get the money to sustain me for the first nine months. I have never looked back," Rubondo recalls.

In the September 2022 Pensions Conference organized by Zamara Group in Kampala, he shared the following as the key principles and lessons which have helped him remain happy and satisfied in retirement.

You can't detach your character from your profession and career. Be true to yourself even as you fly high. Your executive positions should not change your fundamental values and person. Character keeps you in check. You succeed because of who you are.

You don't have to plead your integrity. If you are a person of integrity, your reputation will always go before you. The reason I don't hide from anyone even in retirement is because of my integrity. I have nothing to be afraid of.

Always remember where you came from. My father always told me to never forget my roots because that's where I would return when I exited employment. I always remembered my humble background in Kabale and was never afraid of exiting and returning there.

Manage costs, be content with the minimum. Humility will help you cut costs – for example you can work from home instead of renting a fancy office; you drive a cheap car and save on fuel.

Maintain professional and social connections. I am a Rotarian and a member of Kampala Club. I am also the official trumpeter of Bank Of Uganda, which earns me some privileges extended by the Governor. I also keep with my practice of going to church every Sunday.

You may burn your fingers, but don't lose hope. I invested in the transport sector but things didn't work out. I lost money but learnt my lessons. Much later the business stabilized and some money started coming in, but not without bruising me.

Be courageous. Ideally you should leave your job at 40 when you still have energy to set a foundation. Retirement is for the courageous. Retirement is very fulfilling because I am in my own space, living my life – and that's what keeps me alive. PJ

UGANDA NEEDS POLICY AND INVESTMENT INTERVENTIONS FOR ELDERLY HOUSING

Mr. Vincent Agaba Managing Director of Avarts Properties

Housing is one of the basic human needs that have a profound impact on health and welfare of an individual. This is especially true for older persons. As people grow older, they spend between 60% to 90% of their time at home; they cannot work and they need a warm and secure environment. Yet older persons are among those that are most adversely affected by the housing crisis in Uganda. Mr. Vincent Agaba Managing Director of Avarts Properties, shared insights on the state of elderly housing in Uganda.

Q | QN: When you consider Uganda's housing situation, how much of it directly concerns senior citizens?

A | Thanks for paying attention to that group of people, where most of us are headed. The housing situation in Uganda is generalized. If you talk about it in terms of general facilities like shopping malls and houses of worship there may be general provisions for People With Disabilities (PWDs). But generally, there are no efforts to provide amenities that are geared towards the needs of the elderly for example, facilities that ease accessibility for senior citizens. I have seen some institutions where they put up homes for their elderly e.g some elderly sisters in the Catholic church, but if we look at our market today, I don't see much housing focusing on senior citizens.

Q | QN: What is your general impression of the housing situation for senior citizens?

A | The general impression is "to whom it may concern and God for us all". If you have not worked and built your own home, you end up as a burden to your children. It's an area that we need to explore. Even those who build houses early in life, the houses are not purpose built for accommodating their old-age needs. When they grow old, it becomes hard to live in their own houses. I don't think we build with the needs of the elderly in mind. Right now, it is not a policy requirement. Its ad hoc and individual-based.

Q | QN: What key issues should we take into account when considering housing for seniors?

A | Mobility issues especially. How do they move around the house? They need special toilets and bathrooms. You need to consider that area. If we can't afford elevators, we need the elderly to access a stable ground; no need to use stairs. Facilities need intercom telephones and nursing services within reach. They need areas where they can interact with their peers otherwise, they get so lonely.

QN: As one in the real estate development sector, are you aware of any specific interventions that target senior citizens? Which ones are they?

A | Some religious institutions have interventions, but that is only because they live in a communal environment. They do this because they owe it to each other. On the national level, in the sector I haven't seen any. We are building generic houses. You buy and modify according to your plan. There is an opportunity here if the market justifies. We need a mindset change and acceptance that elderly housing needs special attention. Real estate developers need to partner with those who have the money and develop facilities that are friendly for senior citizens. There is need for a strong, intentional financing model.

QN: What do you think stops people from preparing adequately for retirement housing?

A | The same attitude towards saving and planning for life is the same that drives us when we are growing old. As a senior citizen, your home is your grounding; you spend most of the time at home! So what makes us forget? We live in denial; short termism; we shall cross the bridge when we get there. That kind of mindset. We are not planning well. Hope the National Planning Authority has the senior citizens in mind.

QN: Recently the Uganda Retirement Benefits Regulatory Authority (URBRA) issued a regulation allowing members to assign 50% of their accrued savings to mortgages and housing loans. How can real estate development sector actors contribute towards the operationalization of that regulation?

A | The real estate sector needs to partner with the Authority. I am happy that there is a convergence point for all actors. The regulation provides a good opportunity for Ugandans to prepare decent places of abode for their retirement. The outstanding thing is to build a model that interests private sector to invest in retirement housing. PJ

STAYING CONNECTED MATTERS FOR THE HEALTH OF ELDERLY PEOPLE

By Sharon Namirembe
Communications Department

Retirement, the time in life when you can finally kick back, relax, and enjoy the fruits of your labor — so they say. For many people, however, retirement can be a lonely and isolating experience. Loneliness in retirement can have serious consequences for health and well-being. Studies have shown that lonely individuals are more prone to depression, anxiety, and other mental health issues. They are also at higher risk for physical health problems such as heart disease, high blood pressure, and cognitive decline.

One study published in the Journal of the American Geriatrics Society found that older adults who reported feeling lonely were more likely to experience declines in physical function and to have a higher risk of death. Another study published in the Journal of Gerontology found that older adults who reported having a strong social network had a significantly lower risk of developing cognitive decline and dementia.

As we age, it's natural for our social circles to shrink. Friends and family members may move away, or we may lose touch with people we used to see regularly. Without the structure and social connections provided by a job, it can be difficult to maintain relationships and find new ones. This is especially true for those who have spent their entire careers working in a busy office or factory, surrounded by colleagues and social connections. When they retire, they may find themselves cut off from the people and activities that have given their lives purpose and meaning.

One of the biggest challenges of retirement is finding new ways to connect with others and build meaningful relationships. For many people, this may involve joining social clubs, volunteering, or taking up hobbies that involve other people. It can also be helpful to make an effort to stay in touch with old friends and colleagues, and to be open to making new connections through activities like travel or community events.

But it's not just the lack of social interaction that makes retirement so lonely. It's also the fact that you're not contributing to society anymore. You go from being a productive member of the workforce to just taking up space on the couch all day (not that there's anything wrong with that, of course).

Of course, it's not all doom and gloom when it comes to loneliness in retirement. There are plenty of opportunities for fun and laughter, too. Many people find that retirement is a time to indulge their sense of humor and enjoy the lighter side of life. Whether it's cracking jokes with friends, making fun of the latest trend, or poking gentle fun at oneself, humor can be a great way to keep spirits high and fend off the blues.

Social networking can also be a powerful tool for combating loneliness in retirement. With the rise of social media and online communities, it's easier than ever to connect with like-minded individuals and find support and companionship from a distance. For those who are more technologically inclined, this can be a great way to stay engaged and connected with others, even if they are no longer able to physically participate in group activities.

But perhaps the most important thing we can do to prevent loneliness in retirement is to plan ahead. This means saving enough money to maintain a comfortable standard of living and keeping our minds and bodies active through regular exercise and mental stimulation. It also means building a strong support network of friends and family before we retire, so that we have people to turn to when we need a shoulder to lean on.

So, if you're approaching retirement, don't just sit back and wait for the loneliness to set in. Start planning now to ensure that you have a happy and healthy retirement. And remember, it's never too late to make new friends and try new things. Just because you're retired doesn't mean the fun has to stop PJ

REGULAR EXERCISE COULD LEAD YOU TO HAPPY RETIREMENT

By Billy Bruno Gang
Communications Department

When discussing retirement, we often look at finances and forget the physical aspects that could make retirement a nightmare. It is well-known that the biggest expenses in retirement stem from health-related issues.

According to the Centre for Disease Control (CDC) as people grow older, they become more prone to chronic conditions, which may limit bodily activities and require endless medical attention. The CDC points to conditions such as heart disease, cancer, and diabetes as the leading causes of death and disability among older persons.

Exercise is one of the best defenses against the physical aspects and health conditions that could deny you a happy retirement. Regardless of age and physical prowess, being physically active can improve brain health, help manage weight, reduce the risk of disease, strengthen bones and muscles, and improve one's ability to do everyday activities. Adults enjoy numerous health benefits from sitting less and engaging in physical activity - be it moderate or vigorous.

Doreen Tumuhairwe, a health wellness and fitness specialist advises that there's no need to engage in extreme exercise saying, "150 minutes of moderate-intensity physical activity and 2 days of muscle strengthening activity. In other wards 30 minutes in 5 days / 50 minutes in 3 days is very good for a human body." She adds, "adults who want to maintain physical and emotional independence must engage in regular physical exercises, we are never too old to start an exercise program if it's done prudently and professionally."

Tumuhairwe recommends that exercise should start from an early age as one moves towards retirement, rather than later when one is older and unable to undertake a built-up routine.

"Strengthen your bones and muscles, as a young person, it's important to protect your bones, joints, and muscles, they support your body and help ease movement as you grow older."

It can be hard to find the time and energy to exercise regularly or prepare healthy meals. However, your efforts will pay off in many ways, and for the rest of your life. "Treat your body like it's your money maker"- Doreen Tumuhairwe

Exercises recommended by Tumuhairwe

For younger people, walking, jogging, sports like football, golf, rugby or tennis, swimming, skipping, dancing, skateboarding or rollerblading, cycling, Gymnastics, Martial arts, resistance exercises with exercise bands, weight machines or handheld weights are ideal for building strength.

Ideal exercise routines for older adults should incorporate a blend of aerobic exercise, strength/resistance training, and stretching/flexibility exercises. These are some of the great workout options that can help you improve your mobility, build strength, and enhance your balance and coordination.

Yoga: Yoga is a low-impact activity that won't strain your joints. At the same time, it helps you build up your muscles, stabilize your core, improve your flexibility, and strengthen your bones.

Pilates: Like yoga, Pilates offers an effective workout while being gentle on joints. It focuses on building a strong core in order to improve balance and stability and has been shown to reduce the symptoms of arthritis, multiple sclerosis (MS).

Aerobic exercise: Adding endurance activity to your day can help boost cardiovascular function, strengthen lungs and airways, and improve everyday stamina. What counts as aerobic exercise? Walking, swimming are all good choices for older adults.

Strength training: I'm talking about low-impact bodyweight training exercises you can do at home to help reverse muscle loss and burn body fat. These include wall pushups, stair climbing, squats, and single-leg stands. Some strength-training routines also incorporate light hand weights/ dumbbells(2-5kg.) or resistance bands. Aim for 2-4 workouts weekly to reap the most benefits in addition to this, participating in your favourite sport like Golf is ideal.

Parting shot: It's never too late or too early to start exercising. The cumulative benefits of regular physical activity will reflect in your health and wellbeing even in old age

Health wellness and fitness Specialist demonstrate some exercise routines,

Doreen Tumuhaire

HAVE YOUR DOCUMENTS READY, SEEK GUIDANCE FROM PROFESSIONALS

*Mr. Fabian Habiyalemye, is a former District Education Officer (DEO), Kitagwenda District. He retired in 2020 at the age of 60. He is currently enjoying retirement in Itendero, Kamwiri, Ibanda District. He is a farmer, growing coffee and bananas; rearing goats and cattle; planting forests too. He also buys, processes and sells coffee. Habiyalemye also does community and church work. In his sub county, he is the Chairperson LC III Court; Chairman Education Committee; Treasurer, Coffee Growers Association and Secretary to the Kitagwenda District Pensioners Association. He is married with four children and four grandchildren. In December 2021, he filed a complaint with URBRA requesting to be paid his gratuity and pension arrears, after waiting for two years. He shared his story with **The Pensioners' Journal**.*

Q | Please give a brief background to the case you filed with URBRA?

A | The case was about delayed payment of gratuity and pension. I worked as a teacher and headteacher for 27 years. I then went into education administration, where I spent 13 years, through the ranks of Inspector of Schools Isingiro District; Senior Education Officer Kamwenge District; and District Education Officer Kitagwenda District. I started working in 1981 and retired in October 2020 at the mandatory age of 60, after 40 full years of dedicated service without a break and without ever being absent from duty.

I spent two years without getting on the pensioners payroll. I wrote to the CAO, Kitagwenda District in December 2021, complaining about non-payment of gratuity and pension arrears.

I was referred to URBRA by an old friend who assured me that they could help. When URBRA, received my compliant they responded and took action and contacted line ministries. I got gratuity in instalments after waiting for two years, and I was eventually put on the pensioners' payroll. But as the common saying goes, "gakyali mabaga" a motto for one of the secondary schools in this country; most pensioners have 4-6 months pension arrears. So, we still need the services of URBRA if they can assist the pensioners get their dues in time.

Q | What plans did you have for retirement and how did the delayed payment affect them, if at all?

A | I had a business plan, I wanted to trade in produce because I have experience in cultivating. I wanted to go into agro-processing; buy bulls for fattening; buy forests and continue constructing rentals in Mbarara. Because I had been assured of quick payments within two months after retirement, I ordered for somethings like machinery for the coffee processing plant. When my benefits delayed, and the machines were about to be delivered, I had to sell property, cattle and other things to get the machinery, in order to start the business. However, I believe the delay was a blessing in disguise because I learnt endurance. For example, I learnt to walk long distances because I had expected to buy a car, but now it was delayed. I can do most of the work by myself without waiting for laborers. It gave me an opportunity to plan properly and do some of the work without waiting for the money.

Q | Your case seems to have moved much faster, some people take 10 years to access their pension, what formula did you apply to speed up things.

A | I can say there was no formula or magic to access my payment and it was not quick. For instance, in Ibanda district, pensioners receive the money barely two months after retiring. So, two years is not magic at all. However, I want to thank all those that assisted me access my gratuity and pension. I used various methods. I wrote an ultimatum to the CAO, and that's the complaint which URBRA acted upon. I engaged officers in public service and lawyers. I became patient with officers in human resource, audit and finance. The problem still persists, I still have six months in pension arears and all my colleagues have two months unpaid pension, so the struggle continues.

Q | How should prospective retirees plan for retirement to avoid such challenges like the one you had.

A | Everybody who is in formal employment should prepare to retire. There are many reasons for retirement but we usually emphasize the mandatory retirement which comes at 60. Some people retire when they get married, others retire when they fall sick. With the mandatory retirement, there is no negotiation, you must retire when you make the age. One should progress academically and professionally so that by the time you retire, you have reached your desired level. Take time to learn the process you go through to access your retirement benefits. Keep all original copies of your academic and professional documents. Keep a record of the important details required at retirement for example, birthdates, appointment dates, salary scales. The dates should tally on all documents. Learn to identify people who can give you assistance. Read and follow guidelines about retirement and prepare yourself early enough.

Q | At what point did you start planning for retirement? Did you wait to clock retirement age and then start planning?

A | Ordinarily planning and saving for retirement should start as soon as you as you are appointed. You should remember that at one point in your life you will be disappointed by the people that appointed you because they can dismiss you or you will retire, so you should begin to prepare yourself.

During my early years of service, we were earning peanuts; the money could hardly buy a goat or hen. Serious saving started in 1994, when I constructed a commercial house in our Town Council. But I also saved resources in form of land and cattle. I would save money to buy land and construct rentals. I constructed my residential house when I was still a teacher. I did not wait to clock 60 to start saving.

Whether in formal or informal employment, retirement catches up with you. Therefore, everyone should prepare.

Q | How can employers help their employees prepare for retirement?

A | Employers have a huge task but they often avoid it. They should orient all new employees and also sensitize those heading for retirement. They should advise employees on how to handle their pension when they receive it. When retirees fill in their forms, they should be handled and guided properly. I call upon all employers to handle senior citizens kindly and respectfully because they will also retire one day and they wouldn't like to be treated badly. Employers should also endeavor to pay pensioners promptly because we fully depend on that money.

Q | What would be your message to fellow retirees with similar complaints?

A | They should check their documents very well, prepare early enough and collaborate well with former employers. Retirees should network with line ministries and human resource officers. Pensioners should be knowledgeable about their career path, growth, scheme of service and their benefits. Most of them do not even know the formulas for calculating gratuity and pension, so they end up falling prey to conmen disguised as helpers.

Q | Any other thought that you would like to share, on retirement planning?

A | Whether in formal or informal employment, retirement catches up with you. Therefore, everyone should prepare and save for retirement. Invest carefully in things that add value and appreciate like land, rentals unlike cars which depreciate with time. When you retire, your life changes either in a good way or bad way but you must be prepared or ready to cope with the changes. Read literature on retirement like, ***The Last Lap*** by John Eddison, and Bible verses that talk about old age such as, Jeremiah 13:23, Job 2:32, Ecclesiastes 12:1-5,1Timothy 6:7 and Genesis 23:8. Protect the image of your former employer. Preserve and maintain the same code of conduct of your former job, whether a teacher, catechist, clergyman or teacher.

GOVT COMMITTED TO ENHANCE OLDER PERSONS' RESILIENCE

National Coordinator for Socio Economic Transformation program for Older Persons in Uganda (Statehouse)

Colonel Brown Apuuli

Every 1st October, Uganda joins the rest of the world to commemorate the International Day of Older Persons, last October's was commemorated under the them of Resilience of older persons in a changing world.

Colonel Brown Apuuli, *National Coordinator for Socio Economic Transformation program for Older Persons in Uganda (Statehouse) shared insights about resilience among older persons in Uganda.*

"Resilience is a crucial aspect for the elderly to face prevailing unfavorable conditions. Many older persons are vulnerable and unable to face challenges of old age owing to lack of preparation for retirement. Saving during active years, planning ahead, and involvement in various activities can promote resilience in old-age. The culture of saving should be inculcated in the minds of people at an early age, to avoid poor living conditions during old age.

The government recognizes the importance of ensuring resilience among the elderly population of Uganda. With initiatives such as SAGE, Parish Development Model, SEGOP, Emyooga, and the Agro Forest program, the government is taking steps to provide resources and support for older persons to live with dignity and security in their golden years. Through these programs, the government aims to empower older persons to be self-sufficient, active members of society, and to overcome the challenges of old age with resilience and determination." PJ

A DAY IN THE LIFE OF A FUND MANAGER

Fund managers are critical players in the retirement benefits sector. Theirs is a pivotal role which largely determines the success or failure of a scheme. Their role is not just about getting the numbers right, but also touching the appropriate emotional spots. George Mulindwa (CFA), Country Head GenAfrica Asset Managers U Ltd, shared with The Pensioners' Journal how Fund Managers typically operationalize their prescribed functions.

Q | Please tell us about the typical functions of a fund manager?

A | The role of a fund manager is about constantly looking out for what is best for the client's financial aspirations both in the short and long term. Simply put, a fund manager is like the finances doctor. Part of the role is preventive and part is curative – getting solutions. The preventive is about delivering a return basing on the risk assessment done and ensuring that our client is financially healthy so that they don't need the curative function. The curative function comes in when a situation needs a decisive solution. Just like a person gets ill every so often and requires remedial intervention. In the same way, sometimes markets may not turn out the way we expect them, then our work becomes remedial – i.e how do we deliver a solution to bring the patient back to good health. As fund managers, our target is financial good health.

Q | What are the qualities of a good fund manager?

A | Contrary to popular belief, most of the qualities are soft skills. I would compare our skills to those of a counsellor – a good listener, patient, good communicator and one must have eternal hope in positive outcomes. A fund manager exudes optimism, that the best will always come out. Because of the service we offer and the underlying fear and concern with money, these qualities come in handy. Money is not just numbers; it is a very psychological issue. The relationship we have with money implies many things; it determines what we can or can't do. For example, will you be able to pay school fees, or buy food; will you afford shelter or health care? We cannot take away psychological concerns from monetary relationships.

Money in itself answers emotional questions. Hence, if a client comes to the fund manager and says they would like to have a happy retirement, you need to answer their emotional questions. For example, if the sector does not perform well, or when the markets don't really work out, the fear is not about the numbers but rather how the clients' goals will be affected. Their prevalent concerns will be: will I be able to feed; will I afford health care? Will I have enough money when I retire; will I be financially independence and self-reliant? You promised a happy retirement and so the client would like to know how you are going to put them on track to hit their goal. All of this requires the fund manager to understand the client's emotional concerns; and to possess the skills to address them. While we usually see the numbers, for the clients it's a much bigger expectation; you must be able to listen and understand.

Q | How do you make investment choices for your clients?

A | Well, the bulk of the investment choices are already defined by two factors: risk appetite and ability. No two clients are the same. In a nutshell, If I understand where my client is trying to go (financial/ long term goals) and

I combine this with how much risk they can take, then the selection of investments to fit that is fairly straight forward. Officially though, we have an investment committee which sits to handle the technical aspect of asset class and security selection. The manager will then monitor these for optimal allocation.

Q | What makes a good day for a fund manager? What would make a fund manager happy and proud?

A | A good day for a fund manager is when the client achieves their goals, be that in the short term or the long term. What really inspires me is seeing a fund grow in size under your watch – it's really akin to raising a child. Typical client goals go back to basic needs like housing, health, education, and the feeling that one is self-sufficient for adults. By being part of funds, members have it at the back of their minds that the money has a purpose and a goal. If by being part of the fund a member feels that they have met their top goals, then that makes a good day for a fund manager. A satisfied client makes a good day for a fund manager. It's not just the returns, it's about achievement of goals. Along the way you get to know your clients better and when you see them reach their aspirations, it makes you feel good.

Q | What are the common challenges faced by fund managers?

A | Irrational markets and irrational people. As a fund manager is making investment decisions, the assumption is that most of the time markets will be rational and hat investments will turn out as expected. Unfortunately, this does not always align. Irrational markets occur when market reaction is not consistent with the fundamental analysis. This causes mispricing of financial assets. While you are holding gold, everyone else has to believe that you are holding gold. If they believe that you are holding silver, then they will give you the price of silver. That irrationality comes from the panic of market participants for example when there is a threat like a war, or recession or any other global threat, it will cause panic which will make investors make irrational decisions – e.g some may decide to sell assets which they would otherwise have saved. That irrational behaviour follows through the market, and on to the clients' side. It becomes phycological and hard to address. However much you convince the client that you are holding gold, but they think that it's not going to make them meet their goals, then they will also panic. They will start demanding for certain actions and it messes up the whole chain. Irrational people are those who don't stick to their goals.

Q | It goes without saying that the survival of a fund manager depends on the health of scheme, which directly links to the members' saving habits. We still have a low turnout when it comes to savers, what can fund managers do to encourage more savers to come on board?

A | That is true. Many Schemes, impose membership on members as a condition of employment. This is in many ways the only way to force members to save. We are not a very good saving community. I believe we need to teach about money in schools such that by the time one receives their first salary, they are well socialized with the idea of saving. Right now, most workers start saving after 35years and those are the very prudent ones.

Q | Basing on the prevailing circumstances and trends, where do you think the retirement benefits sector will be in the next ten years? Is the future bright or bleak?

A | I think the future in extremely bright. Having been around for the past 10years, I can confidently say that the Retirement Benefits sector is taking on a more pivotal role in securing member savings but also as a source of financing for the public sector. Where the sector is lagging right now is offering sources of capital for private sector ventures and that is an area where we need to focus more in the next 10 years.

Q | What recommendations would you make to ensure improvement and better performance of fund managers and the sector as a whole?

A | Our sector and specifically our role as fund manager is critical to the financial well being of savers. I would recommend wider outreach to especially the younger audience to appreciate the concept of saving starting at a very tender age. I reckon that financial well being is up there alongside spiritual well being and physical health. If the other areas are given attention at a very early stage, then why not the finances aspect? A more sensitized populace makes the work of the managers easier. I do not only see our responsibility as that of managing current wealth but also setting our nation on the path to financial greatness PJ

BE LIKE A SQUIRREL, SAVE FOR A WINTRY DAY & PRIORITISE SAFETY

By Lydia Mirembe
Communications Manager

Squirrels are famed for their saving culture. Nature observers say that during spring and summer, squirrels store up food by gathering extra nuts which they eat during the winter, when the weather is unfavorable. They bury the extra nuts in areas surrounding their nests. Squirrels are careful not to fall victim to other thieving squirrels so they practice deceptive storage. If a squirrel senses that it's being watched, it will pretend to bury the nuts as it waits for the coast to be clear. Once there's no one watching, the squirrel will then do the real storage where no one can peek.

The squirrel's saving culture was appropriately relayed on October 31st, during the commemoration of the International Savings Day at Kampala Serena Hotel. Various financial sector actors came together to mark the day and also launch the financial services awareness campaign. Anchoring their message in the imperative of saving for a rainy day, sector regulators, bankers, micro-finance service providers, insurers... shared insights on how citizens can improve their saving habits, with emphasis on starting small.

Unlike the squirrel which saves every time it gets some nuts, many people don't save during the season of plenty and are never ready for a rainy day – witness the Covid19 pandemic when everyone scampered around, even reaching for retirement savings!

Certainly, there is a good number of Ugandans who are saving, but many are not cautious like the squirrel. Stories abound of Ugandans who have fallen prey to scammers and thieves. Only in October 2022, the Daily Monitor reported that some Ugandans had lost Ugx 60 billion to a football Ponzi scheme called BLQ.

A 2020 Financial Capability Survey conducted by Bank Of Uganda revealed that many Ugandans are saving, but not with a safe, licenced and regulated entity. The survey found that the top saving mechanisms were the Village Saving and Loan Associations (VSLA) and saving boxes. Other people save in cash rounds aka Merry-Go-Round, while some keep savings with friends and relatives. The survey also found that some people's savings were kept in form of animals and land, financial securities and stocks; while others saved on mobile money platforms. A small number of respondents held savings accounts with MDIs, credit institutions and SACCOs.

There's a clip that occasionally does the rounds on social media. It depicts a man who gets a windfall and keeps it in his grass thatched house, then heads out to have fun in town. While he is out celebrating, his son comes to announce that the hut is on fire!

Such are the people that caused Mr. Michael Atingi-Ego, Acting Governor BOU to wonder, "would you rather save in a clay pot or in a bank? Does your money grow while it lies under your mattress? Does putting your money in a hole or in the roof offer protection from fire?... Saving your money in an unsafe place is a futile venture! Entrust your money with a regulated institution; that's the only way it will multiply because of the principle of compounding interest." He challenged everyone to be like the squirrel, which prioritizes the safety of its nuts.

It's not as if licenced entities are without risk. In fact, Mr. Wilbrod Owor, ED of Uganda Bankers Association cautioned that cyber security (or the lack of it) is one of the most pressing risks currently. "People are always trying to beat the system which undermines public confidence. We need to work together to maintain the integrity of the system and secure people's savings," he said.

On that note, Mr. Atingi-Ego appealed to each institution in the sector to invest in risk-based supervision systems to minimise risks in deposit protection institutions. "There is need to strengthen cyber security. Money only makes the world go around when deposited in a regulated institution," he said.

Dr Michael Atingi-Ego, the new Deputy Governor Bank of Uganda

Aside from ensuring safety and security, deposit-taking institutions enable the pooling of savings which increases the likelihood of reduced interest rates. With just a few people saving in regulated institutions like banks, there is little to borrow from, which is why interest rates remain high – and this directly impacts on investment. It goes without saying that saving facilitates investment. The more people save, the better the interest rates and this will result in more investment in economic activities, and more savings again. It is therefore important to mobilise more people to start saving, with licenced institutions.

"There are 20 million plus accounts in the banking system but the balances remain low, especially at the end of the month. Uganda has a huge informal sector who are excluded from the banking system. We need to mobilise them and reach them using financial technologies," Mr. Owor said.

Even as sector actors mobilise citizens to embrace saving, they must remain mindful of the environment in which economic investments and activities playout. "We are living with key realities like pandemics, environmental and climatic changes, social challenges, wars… and these also impact on the financial services sector," Mr. Owor said. Banks must ensure that their loans speak to these challenges. The principles of good governance, environmental sustainability must underpin decisions around financial services.

Therefore, the financial services sector chose an appropriate theme: *Start Small; grow big; be green smart*. The message was that all citizens should start saving with the little they have; save it in a licenced entity overtime and it will grow because of compounding interest; if it is invested with the principles of good governance and environmental sustainability it will ensure that the earth and the human race thrive. PJ

FINANCIAL PLANNING FOR YOUNG PEOPLE

A FOUR-STEP GUIDE

Patricia Kiwanuka, CEO of Revenu Stream Limited in Kenya

There is a tendency for the youth to find excuses for not saving. They blame it on limited funds, unlimited demands like rent, tuition, transport costs and the like. Little do they know that as far as saving and investing is concerned, they are losing time and opportunity.

To inspire the youth to embark on saving for retirement, URBRA organized a webinar to discuss ways and share tips on how to make that happen. Attended by over 100 youth, the webinar delved into the advantages of starting early and starting small, and provided an opportunity to discuss and allay the fears that the youth have about retirement saving.

The key speaker was Patricia Kiwanuka, CEO of Revenu Stream Limited in Kenya, who challenged the youth to always take time to reflect on their lives and make thoughtful decisions. She advised participants that the path to achieving one's goals is not straightforward, hence the need to be flexible and open to new opportunities. She shared experiences and insights on financial planning, which could help the youth become better planners even as they grow through life, from youthfulness to retirement.

1. Gradually acquire and accumulate wealth

To make the most of your money and accumulate wealth over time, have a plan and be deliberate about saving. Set money aside a percentage of your income each month. Manage your expenses by budgeting, looking for discounts, and investing in quality items that will last.

Even if you are not yet earning a salary, you can still start saving by setting aside a portion of your allowance and income from small jobs. By setting your priorities and planning ahead, you can ensure that you are accumulating wealth over time.

Prioritise your essential expenses and pay your bills on time. Consider setting aside money for an emergency fund, even if you are still a student. This fund can come in handy for unexpected expenses, such as insurance deductibles, medical bills, or tuition costs. It's important to be clear about what constitutes an emergency, as this fund should not be used for things like vacation or home renovations.

2. Conserve your wealth; protect it from dissipation

Protect yourself from various financial pitfalls such as gambling, excessive spending, and poor financial decisions. Additionally, protect your money from others who may try to take advantage of you – avoid unplanned donations; beware of family members who assume you have a lot of money just because you have a job or are visiting town.

It is also important to conserve your money and make wise financial choices. As a young person, do not adopt a certain lifestyle that may not be sustainable in the long term. Clarify your investment objectives, manage your debts and liabilities – for example pay off student loans as soon as you have a steady source of income. By being proactive and making smart financial choices, you can protect yourself from financial harm and work towards long-term financial stability.

3. Distribute; give share to selected beneficiaries

Distributing or sharing your wealth can help you leave a legacy and ensure that your assets are not wasted when you depart this world. To avoid leaving debt or financial surprises for your beneficiaries, it is important to plan for the eventuality of death and make sure that your assets are distributed according to your wishes. Write a will, designating beneficiaries for your financial accounts, and setting up a trust to manage your assets after you are gone. By taking these steps, you can minimize stress for your loved ones and ensure that your wealth is distributed in a way that aligns with your values and goals. Writing a will does not necessarily invite death.

4. Stop the excuses; burst the myths

There are several psychological myths about savings and investments that can lead to poor financial decision-making. Some examples of these myths include:

- ***I need a higher income to save and invest;*** In reality, you do not need a lot of money to start saving and investing. Even small amounts can add up over time and can be a good foundation for building wealth.
- ***If I fake it, then I will make it;*** This mindset can lead to reckless financial behavior, such as living beyond your means or taking on too much debt. Eventually, your lies may catch up with you and you could find yourself in a very bad financial situation.
- ***All credit (borrowing) is bad;*** While it is important to be mindful of your debt levels and to pay back what you borrow; borrowing can also be a useful tool when used responsibly. For example, taking out a student loan to finance your education can be a good investment in your future, as long as you are able to pay back the loan in a timely manner.
- ***A personal car is an investment;*** While a car can be a useful tool for transportation, it is important to recognize that it is an expense, not an investment. Unlike an investment, which has the potential to generate returns, a car is likely to depreciate in value over time and will require ongoing maintenance and repair costs.
- ***My pension will be enough for my life after retirement;*** While a pension can be a helpful source of income in retirement, it is important to have additional savings. This can help ensure that you have a financial cushion in case of unexpected expenses or changes in your financial circumstances PJ

EVERY WOMAN CAN START SMALL AND GROW BIG

Helen Kirunda, Managing Director, Team Port

With retirement saving, women almost always start off disadvantaged. According to the Uganda Bureau of Statistics (UBOS) in Uganda, 50% of men are employed, compared to 40% of women. Of the employed labour force, 48% of women are self-employed, compared to 38% of men. Men are engaged more in paid employment, while women spent up to 30 hours a week on unpaid domestic work.

Even among those in formal employment, UBOS indicates that women tend to concentrate in less-paying service work and elementary occupations rather than highly-paid professional work and key positions such as CEOs and senior officials. Women also stay out of work longer especially because of familial responsibilities. All these factors affect women's retirement saving plans.

Against that backdrop, URBRA on 22nd November hosted a webinar under the theme, ***Every woman can: inspiring women to start small, grow big and be green smart***. The webinar was organised as part of the banking and financial services awareness month, spearheaded by the Uganda Institute of Banking and Financial Services, in conjunction with financial services sector regulators, including URBRA.

Focusing on women, the webinar was addressed by Ms Helen Kirunda, Managing Director, Team Port. Sharing her own experiences, Ms Kirunda gave ideas on how best women can surmount their limiting factors and adequately prepare for retirement.

The reality

According to Ms Kirunda women are disadvantaged from the day they are born because society has already mapped out what they are supposed to be and how they are perceived. "Women are trying to breaking the norms but the environment grows harsher every day from economic upheavals, climate change, epidemics, to cultures that still don't value women's contribution," she said. Yet amidst all the challenges, women draw closer to retirement everyday – either through the ageing process or by stroke of some unforeseen circumstances like Covid19 or fatal accidents. To overcome these limiting challenges, Ms Kirunda suggested key principles a woman can follow to ensure a comfortable retirement.

Find your purpose, know your desire: A woman must find her niche then she will be able to work with passion. This is not about hobbies; it is about a niche that will bring in some money. Let people know you for what you do well, and they will keep demanding and paying you for it. Whenever you're in a position where your purpose is known, then you will have your goals in sight, among them a retirement plan. She said that when you find and understand that desire, you will find yourself waking up at odd hours so as to achieve your goals. This can result into having more income streams which is advantageous because then you can save and still take care of current needs.

Start small, be consistent, grow big: Once you find your purpose and passion work at it! Take initiative and start pursuing your goals. Know your strengths and weaknesses, apply special weapons and tactics, so that you hone your skills and tools to enable you pursue your purpose and passion. Start! You don't have to be perfect when you start. Just aim to be consistent and gradually, you'll get better at all you do. If you want a happy retirement, you have to start planning and working towards it right away. Small, consistent steps will take you a long way.

Invest in yourself: Women should invest in themselves if they want to get out of the doldrums. They must learn new things outside of their regular jobs, they must pursue knowledge relentlessly and not just through formal education but through many other means. A woman must be knowledgeable on current issues and trends; she must also dress and look appropriately so that no one despises her. Once cannot have a happy retirement when those around her don not trust her and cannot trust her with basic jobs.

Choose your friends carefully: A comfortable retirement is not only about money; it is also about networks. If you want a happy retirement, you will need the right group of friends; the kind that will help, pull you up when you're down. Listen to people from different age groups, social backgrounds, economic status – they may have something worthwhile to tell you. If you are seriously pursuing your purpose, you will notice a change in the friends you choose. You will most likely gain or lose friends depending on what they want from you. Ladies must aim to grow their networks, even strangers might be more useful that the so-called inner circle friends.

In the journey of self-development, Ms Kirunda advised women to develop these traits: banish self-doubt; be consistent, brave, resilient, honest, respectful and patient. For retirement planning and saving, patience is a particularly important ingredient because it is over the long term. You may not have billions in retirement, but you deserve comfort and happiness and it all happens when you start early, start small and be consistent. PJ

SET GOALS, SAVE, INVEST AND AIM TO BE DEBT-FREE BEFORE RETIREMENT

Lilian Katiso, CEO Zaddock Associates

Three years ago, Lilian Katiso retired from her full-time job to focus on her own business. She would have liked to stay on, but the circumstances had changed and suddenly, she had to retire – or redeploy herself as she prefers to call it. Thankfully, Lilian had developed a retirement plan seven years prior. Her determination to develop a retirement plan was a result of a training she had attended, where one of the exercises was to write one's broad goals attainable in five years. By some stroke of foresight, she had put great thought in the exercise and developed her five-year goals, only waiting to be implemented.

Indeed, five years after committing her goals to paper, she was called by her CEO, who delivered the news that owing to funding constraints, her employment would cease in three months' time. While the news was harsh, it didn't hit her so hard mainly because she had a plan already. Lilian had by that time established two companies – *Zaddock Associates*, a financial management consultancy firm; *Maua & More* a garden centre which deals in unique and exotic potted plants and garden accessories. What do we learn from Lilian's story?

In Lilian's philosophy, planning makes all the difference. What you want to do for retirement; how you plan to spend your time; which activities you get involved in. She shares a number of principles that can be adopted and applied by nearly anyone – no matter what they do for a living.

In the event that your current source of income dried up, how long would you survive on your savings? When she got the news of the termination of her contract, Lilian wasn't stressed because she had been saving for over five years. You may never know how soon your job will end, so it is better to prepare for the likelihood. It is important to know how you will survive and whether you have adequate retirement savings.

Envision your financial goals; begin with the end in mind: Start with a clear understanding of your destination and narrow it down to goal setting. Where do you see yourself in retirement and what are your financial goals? Don't wait for dire circumstances to arise, start early. It is often said that when goals written down, they are 75% achievable.

Have a budget: A budget is telling your money where to go rather than wonder where it went. Depending on your lifestyle, write all your expenses, including savings and entertainment. If your level of expenditure is not matching your income, make plans to cap the expenses. It is important to have three months' worth of income of set aside in a readily accessible account for emergencies.

Make your money work for you by investing it: Saving is setting aside money that you don't want to spend now. It is money you want to be able to access quickly with little risk and with the least amount of taxes. On the other hand, investing is buying assets such as stocks, bonds, real estate with the expectation that your investment will make money for you. Do not put all your eggs in one basket; have more than one investment basket. Invest while you are still young. As a young person you have time to rise up should you make investment mistakes. Realign your investment portfolio so that you are not highly invested in risky areas. Put some of your investment in low-risk areas like real estate.

Manage your debt: You can only increase your net worth by managing your liabilities and debt. Good debt can build you wealth and bad debt can ruin your life. Dig yourself out of debt before you retire. Consider having a debt repayment sheet to schedule your debt payments.

Multiply revenue streams: It important to diversify your revenue streams so that in case one stream dries up you have another one. With the gig economy today, it is possible to get extra income. Ensure that you utilize your after-work hours and aim to have at least three to five income streams.

Turn your passion into profit: The beauty of having a business derived out of passion is that you never retire. Therefore, it is very important start a business that resonates with your purpose of living. You will always be motivated to strive more and do better for your business because it's something you are passionate about.

In conclusion, the advice of Jim Rohn applies to anyone who hopes to enjoy a happy retirement characterize by financial independence: "turn part of your income into capital; turn capital into enterprise; turn enterprise into profit; turn profit into investment; turn investment into financial independence." Start from wherever you are, with whatever you've got. PJ

EMPLOYERS SHOULD TAKE KEEN INTEREST IN THE FINANCIAL WELLBEING OF THEIR EMPLOYEES

Ms. Daisy Nabakooza, URBRA's Chief Manager Supervision & Market Conduct addresses the meeting

"It would be quite disheartening for an employer to find their retired employee living in despicable conditions. Every employer should be proud to see their employees make progress on all fronts and retire happily at the end of their years in service."

That was a message from Mr. Martin Nsubuga, the CEO of Uganda Retirement Benefits Regulatory Authority (URBRA). He was addressing members of the Federation of Uganda Employers (FUE) and the Human Resource Managers Association of Uganda (HRMAU). The meeting was on 29th November, convened by URBRA in partnership with Prudential, to discuss ways of getting more employers and employees embrace voluntary retirement saving.

Mr. Nsubuga observed that although URBRA had consistently rallied the public to save for retirement, of Uganda's estimated 15-million workforce, only 18% subscribed to an existing retirement saving arrangement.

"This means that over 12 million are either saving for retirement in an unstructured way, or are not saving at all. Many who are not covered by existing retirement benefits arrangements are working in the informal sector. However, there are many workers in seemingly formal arrangements, whose employers are simply not providing any retirement benefits," Mr. Nsubuga said.

He further said that while providing retirement benefits is seen as an added cost to business, it is the least that employers can do for their employees. "In addition to providing retirement benefits, employers should take keen interest in the financial wellbeing of their employees and promote good practices like saving and financial literacy," he advised, appealing to all employers to set up retirement schemes for their employees.

Speakers who addressed the meeting shared the conviction that employers and employees should take voluntary retirement saving more seriously.

Mr. Ronald Bbosa, President of HRMAU noted that retirement benefits are now a key driver for staff recruitment. "Prospective employees always look out for employers that offer the best benefits package, because that helps the employee kickstart their journey into self-employment," he said.

Mr. Bbosa also advised that employees could make voluntary retirement saving more attractive by allowing employees to allocate some of their accrued benefits for health insurance. "Instead of waiting until the age of 55 to access a lumpsum, sector players should think about allowing savers to access some of their savings to contribute to annual medical insurance cover," he said.

Further emphasizing the importance of occupational retirement saving schemes, Ms. Daisy Nabakooza, URBRA's Director Supervision and Market Conduct explained that such schemes are important for recruitment and retention of skilled manpower.

"Employers with pension arrangements are viewed with more goodwill than those without. From the employee perspective, voluntary saving is a valuable retirement planning tool, instills financial discipline, and provides a pension or lumpsum payout upon retirement. It also provides survivor benefits, ill-health and incapacity benefits to dependents when such circumstances arise," Nabakooza explained.

Ms. Grace Nabookoza, FUE's Head Employment Services and Legal, noted that many people feel constrained to save for retirement because they think they earn too little. "While we know every employer is able to pay based on what they can afford, the current legal framework does not accommodate or is not up to speed with the minimum wage issues," she said, expressing the need for HRMAU and FUE members to discuss the matter of minimum wage with the powers that be.

Still on the employees' saving habits, Uthman Mayanja, PWC Country Partner noted that there is a general misconception that one must save after spending. The golden rule is to spend after saving. "It is important to save every time you earn money. You should also invest your savings wisely. Some investments may do well and others may not, so one should not put all their eggs in one basket," Mayanja advised.

The establishment of voluntary saving schemes is just a beginning; managing and sustaining the schemes also needs great attention. After setting up a scheme it is important to sustain it through good governance, wise investment, management of costs and risks, and observance of member rights and obligations.

Sharing experiences on how to successfully manage and sustain a retirement benefits scheme, Professor Godwin Kakuba, Chairperson Board of Trustees of Makerere University Retirement Benefits Scheme (MURBS) and Mr Bruno Muhindi, a trustee with KCB gave the following tips:

Irrevocable trust: A scheme should be established by an irrevocable trust, which means that it cannot be undone under any circumstances. This gives security to members.

Registration of the scheme: If as scheme is registered as a body corporate, as in the case of MURBS, it can operate independently without the sponsors' involvement. in the day-to-day operations of the scheme. All this is to protect the rights of members who have entrusted their funds with the scheme.

Governance: The scheme should have a Board Charter which stipulates the roles of all members of the Board of Trustees. The scheme should also have other policies that guide its operations, including a code of conduct, strategic plan, investment policy schedule and risk policy. The Trust Deed and clear policies help resolve disagreements, while protecting the members interests.

Role of trustees: The success of schemes depends majorly on the trustees so it is important to choose the right people for the job. "Do not look at your friends or people easily accessible to you as your choice of trustees, you need competent individuals," Muhindi advised. One of the key responsibilities of the trustees is to ensure compliance with regulations, otherwise the scheme attracts sanctions from the regulator.

Roles of the sponsor: The sponsor (employer) must take the responsibility to maintain updated records of their employees. Mr Muhindi cited the challenge of poor record keeping and tracking of employees. Some employees leave their jobs and no one can trace them, leaving unclaimed funds in the scheme. Employers and HR managers should also implement training programmes to enhance staff financial literacy. This will enable members to have keener interest in the management of their funds. Employers should make timely remittance of contributions and in case they have challenges, consult both the regulator and the trustees for guidance. Transparency is key in scheme administration.

On the whole, URBRA and the members of FUE and HRMAU were in agreement that voluntary retirement saving is the ideal. Employers should encourage employees to adopt the saving culture, to enhance their chances of transitioning to a happy retirement when they leave work.

Ms. Daisy Nabakooza put it aptly when she said: "Not everyone who retires has difficulties with the transition, but those that have not planned are at a greater risk of mental and physical health problems. Awareness of this fact and taking appropriate steps ahead of time allows for a smoother transition, lessens the negative effects of the change and enhances your ability to enjoy this new period of your life that could contain endless possibilities." PJ

Employers with pension arrangements are viewed with more goodwill than those without.

NEW URBRA BOARD TO STRENGTHEN SCHEMES, PROMOTE PARTNERSHIPS, IMPROVE RESEARCH

In October 2022, the Minister of State, General Duties, Hon. Henry Musasizi, inaugurated the incoming URBRA Board of Directors, with a pledge for continued support from the Ministry of Finance Planning and Economic Development (MoFPED) to the Authority. This will be in form of financial resources, guidance and representation of the Authority's interests.

On behalf of the incoming Board of Directors, the Chairman, Hon. Julius Bigirwa Junjura pledged to prioritise research and make URBRA a one-stop centre for information regarding pensions issues. He also promised to engage the ministries in charge of government programmes like the Parish Development Model, to ensure that they include URBRA in the implementation processes.

Hon. Julius Junjura Bigirwa
Chairman, Board of Directors

Dr Mary Tizikara
Board Member

Ronah Ninsiima
Board Member

David Mutebi
Board Member

Victor Bua
Board Member

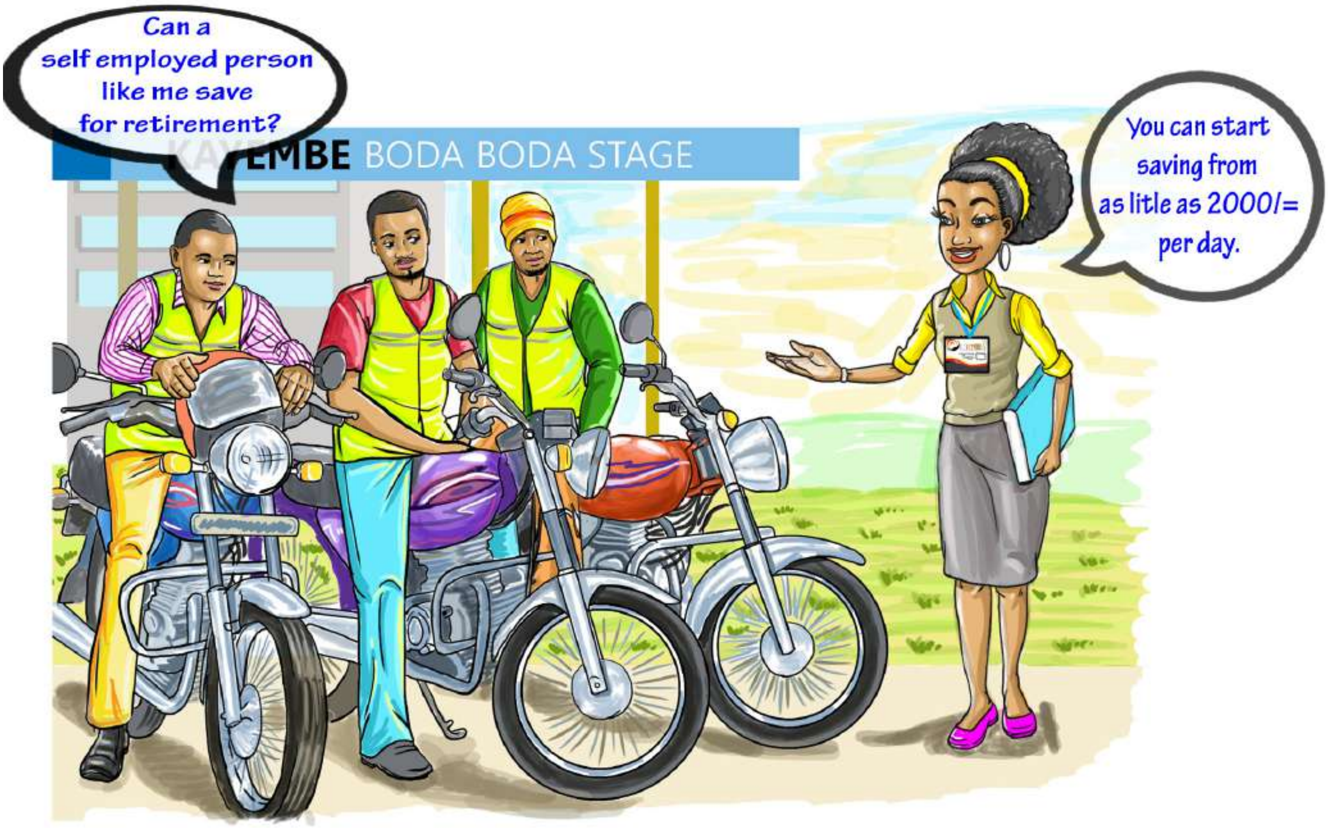
Moses Bekabye
Board Member

James Ebitu
Board Member

Martin A. Nsubuga
Chief Executive Officer


You are just a decision away from your retirement dream. Start saving today!


My family has a permanent home thanks to URBRA's Regulations on mortgages and Housing Loans.


Can a self employed person like me save for retirement?
KAYEMBE BODA BODA STAGE
You can start saving from as litle as 2000/= per day.


NO MATTER YOUR PROFESSION YOU CAN START SAVING FOR RETIREMENT NOW

HOW TO AUDIT CONFLICT OF INTEREST IN CORPORATE ENTITIES

By Edward Serukuma, CPA
Head Internal Auditor, URBRA

A conflict of interest occurs when an individual's interests compromise their judgement, decisions, or actions in the workplace. Such a situation can emerge from failure to separate workplace duties from family and friends, personal financial and social factors. It is important for Internal Auditors that evaluate and monitor these controls to know how to manage the risks associated with conflict of interest.

Types of conflict of interest

Nepotism: This happens when one favors their own family, or personal friends. In this case, the individual's duty to their employer may conflict with their loyalty to a family member or a close friend. The risk may be acceptable in some private entities or family businesses but can potentially impact on performance because it compromises competence at the recruitment stage.

Self-Dealing: In a fiduciary relationship, one is legally obligated to act in the best interest of the corporation and its key stakeholders. Self-dealing is when a fiduciary acts in their own instead of their client's best interest. It is where a conflict of interests exists between an individual's fiduciary duties (legal obligation to the client) and personal financial interests.

Business Relationships: These stem from personal business interests, where an individual works for two businesses in the same industry. For example, one who works for the public sector while maintaining interests in companies that bid on government contracts may experience a conflict of interest when their job duties and business interests come into competition.

Conflict of interest also exists where an individual sits on the Board of Company A, but owns stock in Company B. By virtue of the individual's position in Company A, he or she should not take part in decisions awarding contracts to Company B.

Internal Auditors generally recognize the risk of employees having interests that conflict with the organization's interests. However, without the support of top management, conflicts of interest can be difficult to identify, manage, and audit.

In doing the oversight role on behalf of the Board, Internal Auditors consider several aspects when designing their approach to conflict-of-interest audits, as explained below:

a) **Clear Guidance**

Companies must define what constitutes conflict of interest and communicate it to employees. Organizations can do this by: Adopting an ethics policy; defining organizational values; establishing behavioral principles or simply notifying employees; set and approved fraud policy; encourage all employees voluntarily disclose any perceived conflicts of interest.

Companies, through the Human Resources department are expected to inform their employees about what is appropriate behavior. The Board must agree with the set standard if the control environment on this risk is to be improved. Guiding on conflicts of interest and how to communicate expectations to employees adequately can be a good starting place for internal auditors to building their audit approach on the risk of conflict of interest.

b) **Organizational Setup.**

Public and private entities have varying organizational setups based on either the Act of Parliament or the Companies Act. The nature of the structures creates alternative ways of managing the risk of conflict of interest. The human resources (HR) department will take the **lead** in some organizations. However, additional departments, such as internal Audit, compliance, or legal, are commonly involved in managing conflicts of interest. For the public sector, different oversight roles can be executed by the IGG, PPDA, Anti-corruption unit, Auditor General, Police, and the general public through the media.

c) **Preventive Controls**

Internal auditors need to identify which controls exist around conflicts of interest. Some applicable controls include:

- **Obtaining information from potential new employees and business partners.** Organizations can ask new employees and business partners to provide information on existing relationships with current employees. Such requests provide information before any relationship is established.

Guiding on conflicts of interest and how to communicate expectations to employees adequately can be a good starting place for internal auditors to building their audit approach on the risk of conflict of interest.

- **Know your business partners**: Checking on business partners — their business, organizational, and ownership structure — can help identify conflict-of-interest risks.
- **Conflict-of-interest clauses in employment agreements**. Such clauses require employees to disclose their side activities with other companies.
- **Noncompetition clauses**: These clauses in agreements and contracts should apply to employees, customers, business partners, and other stakeholders during the time they are associated with the organization.
- **Conflict-of-interest management:** This process should include mechanisms, roles, and responsibilities for addressing reported or identified cases in the organization. The organization can use a hotline for handling complaints from third-party sources. Prescribed response procedures should be followed in case of a breach of conflict of interest-related agreements and clauses.
- **Gift register and policy**: A gift register should include both gifts given and received by employees. The gift policy should consist of a verification process/ disclosure for gifts of high value to determine the past and future business relationship of the entity giving out the gift.
- **Internal conflict-of-interest reporting**: This process encourages employees to report conflict-of-interest relationships that may develop over time, including relationships with other employees, managers, business partners, and stakeholders. Reporting conflict of interest depends on the level of openness established as a norm in the organization, where there is no room for retaliation to the person who mentioned the situation.
- **Documentation**: The organization should have confidential, complete, and documented records on conflicts of interest at all costs. These documents must be safeguarded and only accessed by approval.
- **Training**: The organization should train employees on conflicts of interest and how to deal with them. In URBRA for example, this is done through monthly staff knowledge sharing, which can be facilitated by staff or an external person.
- **Past lessons**: The organization should communicate and promote the lessons learned from past events, especially in situations of Conflict of interest that have been detected and how it was managed.

d) **Risk Acceptance**

Companies should consider establishing a risk acceptance process to determine what is acceptable or not. Some conflicts may be acceptable because of a lack of other alternatives, organizational issues, resource availability, and evolving relationships. In each case, the entity needs to assess if the risk is acceptable from a risk appetite point of view.

Management and the Board could deal with highly sensitive and confidential risk acceptance topics. For example, the organization could establish a committee comprising experts from HR, ethics, compliance, legal, risk management, and internal Audit, with other participants invited when necessary. This committee's work should be documented, communicated and applied throughout the organization.

e) **Post-transaction Controls.**

Specific conflict-of-interest controls could be exercised to trace issues after business transactions. Such controls include: Tools and records for obtaining information on how the reported conflicts of interest were addressed; documented background checks on employees; documentation of design changes from previous controls; documented follow-up of any compensating measures taken for cases of risk acceptance; these controls could provide insights into how conflicts of interest were identified, the recognition and management process steps taken, outcomes achieved, and follow-up results.

f) **Corporate Culture**

Managing conflict-of-interest situations is not just a formal question but an integral part of the broader concept of the corporate culture. An important aspect of auditing conflicts of interest will be the willingness of the organization's employees to recognize it and their ability to report it. This awareness requires an open, transparent, and trustworthy work environment. Internal auditors can contribute with the results of their audits towards this awareness drive.

Corporate behavior and decision-making related to conflict-of-interest issues send a strong message to employees about what is acceptable. Those messages are built into employees' perceptions and execution of everyday business activities, which can result in significant consequences for organizations.

Conclusion

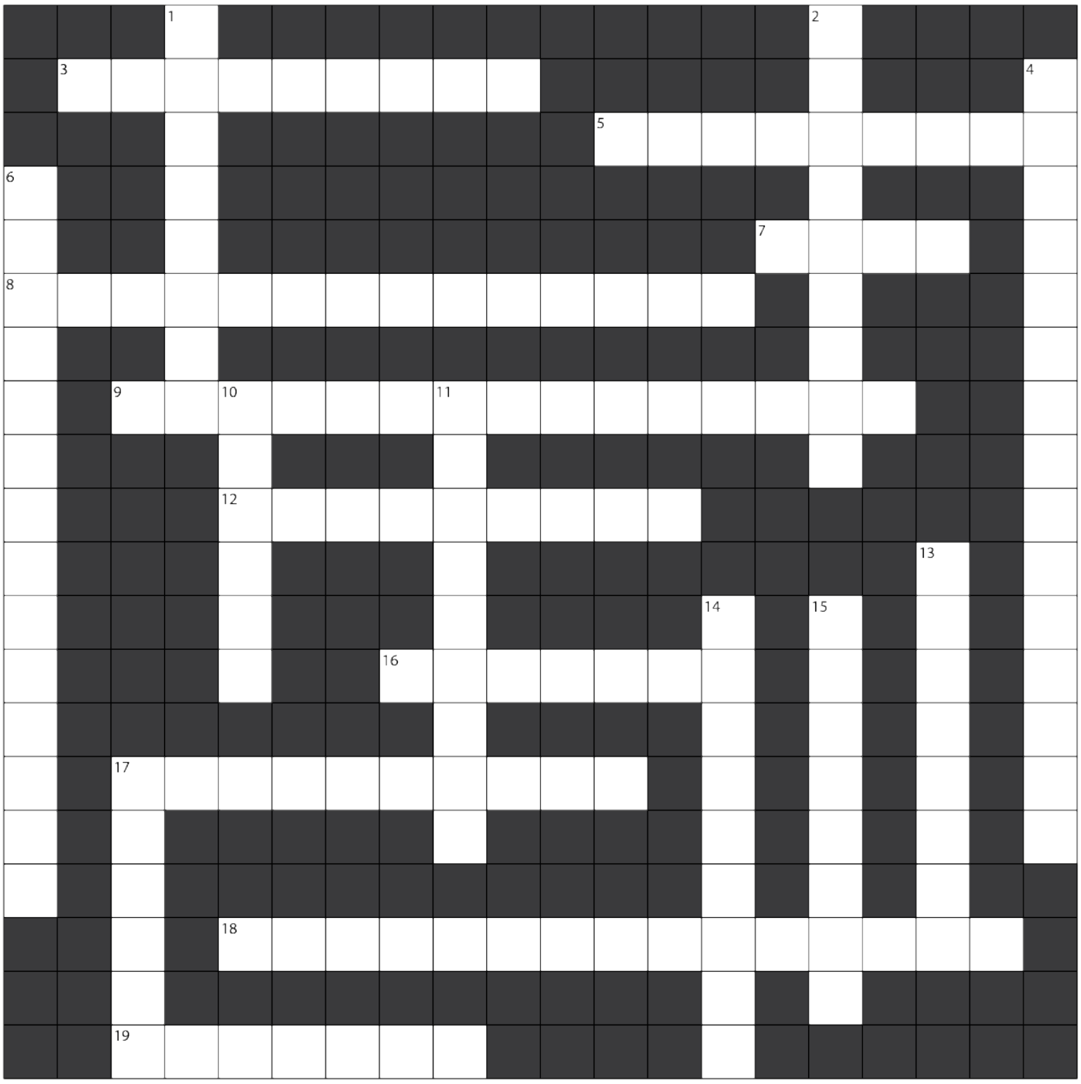
The risk of doing too little outweighs the risk of doing too much in managing conflict of interest by all stakeholders in any organization. PJ

Your **Retirement is your responsibility**

You deserve to live a dignified life in retirement. Start saving with a Retirement Benefits Scheme licensed by URBRA.

visit www.urbra.go.ug for more information

HEALTH EDITION CROSSWORD PUZZLE



Created by Jonathan Ssentamu

Down

1. Activity requiring physical effort, carried out to sustain or improve health and fitness (8)

2. The rate of disease/sickness in a population (9)

4. Any costs incurred in the prevention or treatment of injury or disease (7/8)

6. A feeling of disappointment about something you previously admired (14)

10. A document detailing the terms and conditions of a contract of insurance (6)

11. An unforeseen combination of circumstances or the resulting state that calls for immediate action (9)

13. A payment made by the state or a retirement benefits scheme to someone entitled to receive it. (8)

14. Compensation for damages or loss (9)

15. Deciding and making arrangements for something in advance (8)

17. A state of complete physical, mental and social well-being and not merely the absence of disease or infirmity (6)

Across

3. The life expectancy of Ugandans as per UBOS censuses and surveys (5/4)

5. A thing providing protection against a possible eventuality. (9)

7. A special course of food to which a person restricts themselves for medical reasons (4)

8. The protection that a society provides to individuals and households to ensure access to health care and to guarantee income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner. (6/8)

9. The percentage of an individual's annual employment income that is replaced by retirement income when they retire (11/4)

12. A long duration of individual life (9)

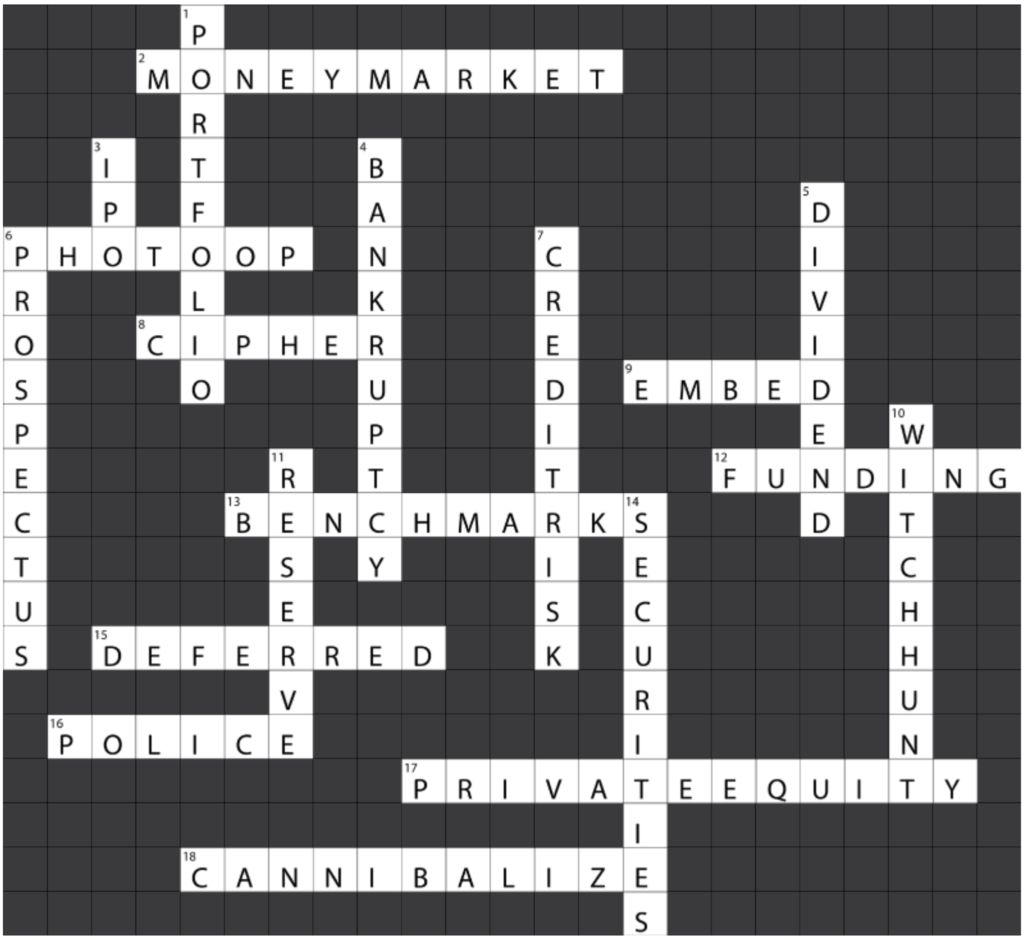
16. A regular payment made by the state to people of or above the official retirement age and to some widows and disabled people (7)

17. The organised provision of medical care to individuals or a community (6/4)

18. One's ability to execute daily activities with optimal performance and strength with the management of disease, fatigue and stress (8/7)

19. An extended period of leisure and recreation, especially one spent away from home or in travelling (7)

URBRA @10. (PUZZLE SOLUTION)



Down

1. The group of assets in which savings are invested. (9)

3. The first issuance of common shares to the public by a formerly private corporation(Abbreviation) (3)

4. A legal proceeding involving a person or business that is unable to pay their outstanding debts. (10)

5. A sum of money regularly shared by a company to its shareholders out of a profit (or reserves) (8)

6. Document that discloses the investment policies, deposit and redemption procedures, fees and expenses, and past performance statistics associated with an investment vehicle (10)

7. The potential that a financial organization, borrower, or counterparty will fail to meet its obligations in accordance with agreed terms (10)

10. A vindictive, often irrational, investigation that preys on public fears (9)

11. Interest/profits that have been set aside to be used for a specific purpose further down the line (7)

14. Financial assets that can be traded, such as shares and bonds (10)

Across

2. Consisting of interest-bearing assets with a shorter duration (less than a year) (11)

6. An event staged specifically for news cameras to help a politician appear in magazines and newspapers, on television, or online (7)

8. A system of disguising a message by replacing its letters with other letters or numbers (6)

9. When a reporter is attached to a military unit in order to conduct journalistic business during a conflict (5)

12. The act of accumulating assets in-order to finance a retirement benefits plan (7)

13. Indices used as a standard against which the Scheme's or Investment Manager's performance is assessed (10)

15. A member who is not actively making contributions to the scheme nor accusing benefits from the same but awaiting to receive benefits from the same (8)

16. A Public Officer for legal investigation and criminal emergencies (6)

17. Category of Assets Class with a maximum allowable limit of 15% of the aggregate market value of total assets of funds of the scheme under schedule 2 of the URBRA (Investment of Scheme Funds) Regulations, 2014 (13)

18. The act of taking workable parts of one item and using them in another (11)

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.**

3rd -6th Floor. Plot 1, Clement Hill Rd P.O Box 7561 Kampala
+256(0) 417 304 500 • +256(0) 200 513 500 • +256(0) 312 524 500 • urbra@urbra.go.ug www.urbra.go.ug
urbraUg @urbraUg

URBRA
UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY