URBRA

UGANDA RETIREMENT BENEFITS REGULATORY AUTHORITY

Protecting your retirement benefits

10 YEARS ANNIVERSARY

Newsletter

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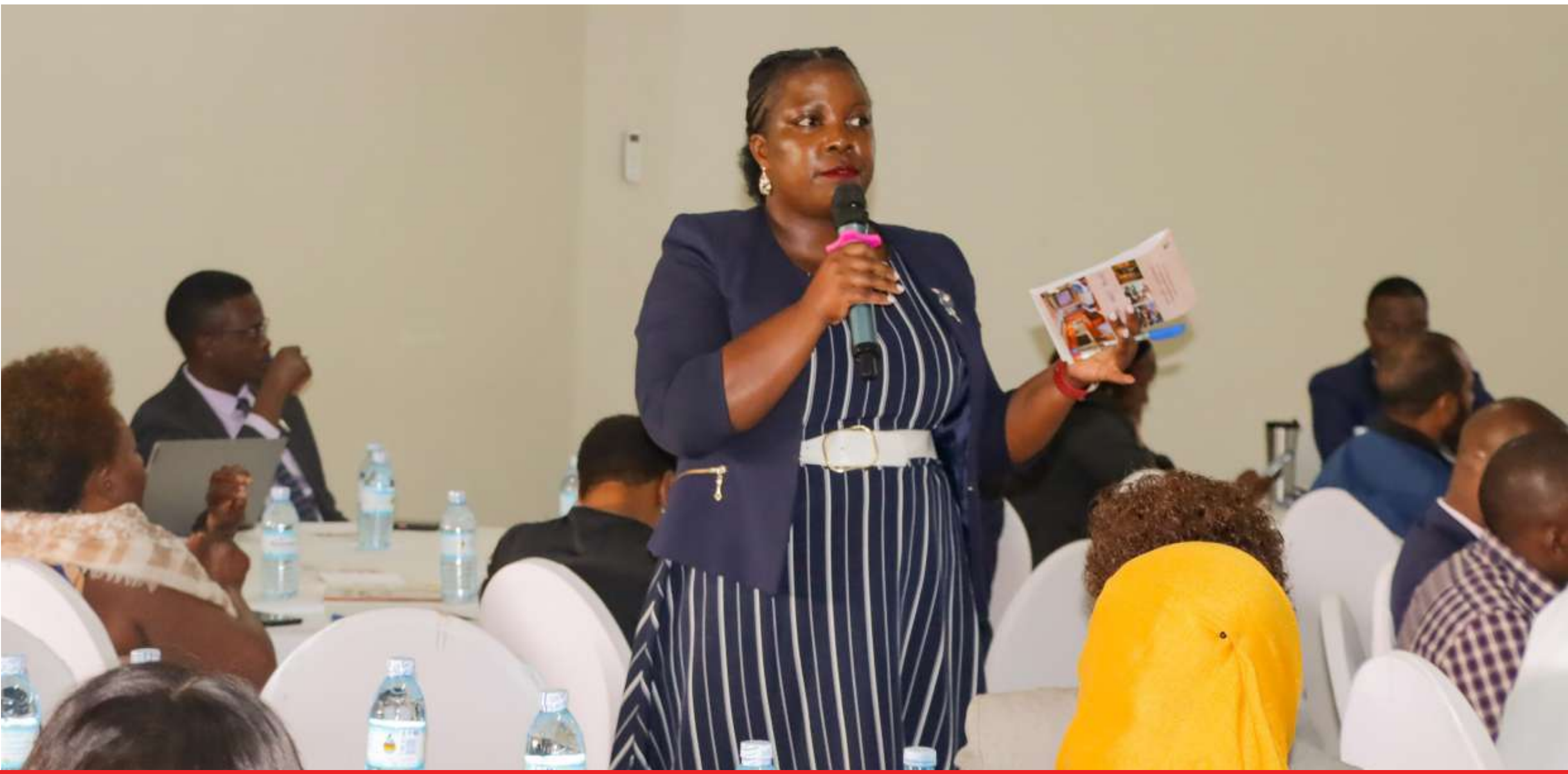

Employers should take keen interest in the financial wellbeing of their employees

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Retirement Savings: A Pillar for National Development

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Chief Executive Officer's Foreword

Dear Reader,

I bring you warm new year greetings from the Uganda Retirement Benefits Regulatory Authority (URBRA).

A new year has dawned, and things are looking up as the economy continues to improve post-Covid19 and post-Ebola. The Retirement Benefits Sector shares in the general mood of optimism.

The year 2022 was particularly harrowing for many Ugandans, as we all felt the hike in the cost of living. The prices of fuel, food and other basic items, literally shot through the roof. Inflation rose, largely influenced by external pressures like higher global food and energy prices, and the raging war between Russia and Ukraine. A cloud of uncertainty engulfed the economy. It became almost impossible to tell citizens to save for retirement when they could hardly afford the day's meal.

Still, the sector weathered the hard times, and all schemes met their statutory obligations. By the time the year ended, the sector worth in assets under management was estimated to be UGX20 Trillion.

The sector still grapples with the old-age challenges of low coverage, low adequacy levels and poor preservation methods of retirement benefits. URBRA will continue addressing these issues in 2023. We will continue with efforts to improve adequacy by promoting voluntary savings – in addition to the mandatory savings. We shall encourage transfer of funds between schemes instead of early access upon change in employment. We also urge citizens to develop clear plans for their funds, especially those who qualify to access their benefits. Don't squander your savings please!

Aware of the challenge of low coverage, the Authority will intensify its awareness campaigns, focusing on the informal sector to get more people saving for retirement and avoiding old-age poverty. URBRA will also reach out to the youth to encourage them to start saving at an early age.

On the whole, our optimism for 2023 is high. Of course, the regulator cannot be without the key sector stakeholders and actors. We are looking forward to continued collaboration; consultation; joint learning…as we take our sector forward together.

Happy New Year!

Martin Anthony Nsubuga

Chief Executive Offcier
Uganda Retirement Benefits Regulatory Authority

Employers should take keen interest in the financial wellbeing of their employees

"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 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, illhealth 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.

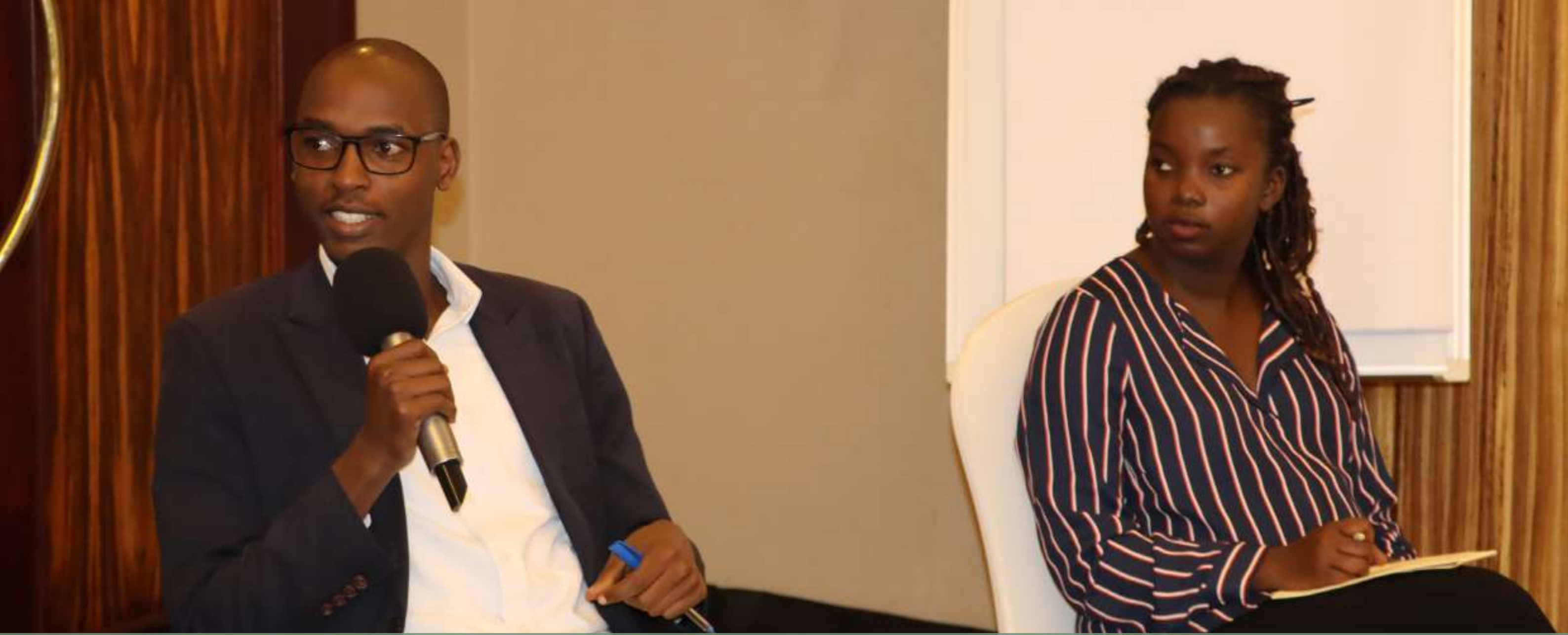
The establishment of voluntary saving schemes is just a beginning; managing and sustaining the schemes also needs great attention. After setting up a scheme it is important to sustain it through good governance, wise investment, management of costs and risks, and observance of member rights and obligations.

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 a 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 also 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."



The role of the media in shaping public perceptions and understanding of retirement issues

The Uganda Retirement Benefits Regulatory Authority (URBRA) in December held a media training dialogue aimed at deepening journalists' understanding of the regulations, policies and challenges facing the retirement benefits sector in Uganda. Over 35 journalists from various media houses attended.

In his opening remarks, Mr. Nsubuga, Chief Executive Officer, URBRA highlighted the role of the media in shaping public perceptions and understanding of retirement issues. He emphasized the importance of journalists in educating the public about the importance of saving for retirement and holding retirement providers accountable for their actions.

Hon. Julius Junjura Bigirwa, the URBRA Board Chairman, pointed out that while issues such as politics often receive a lot of attention, topics like retirement are often overlooked. "The lack of attention to retirement planning can have serious consequences," he said. For example, some civil servants may choose to reduce their age on official documents in order to delay their retirement, while others may grow resentful of their children if they feel like they are not being financially supported in their later years. To avoid such issues, Hon Bigirwa stressed the importance of making retirement a priority and starting to save as early as possible.

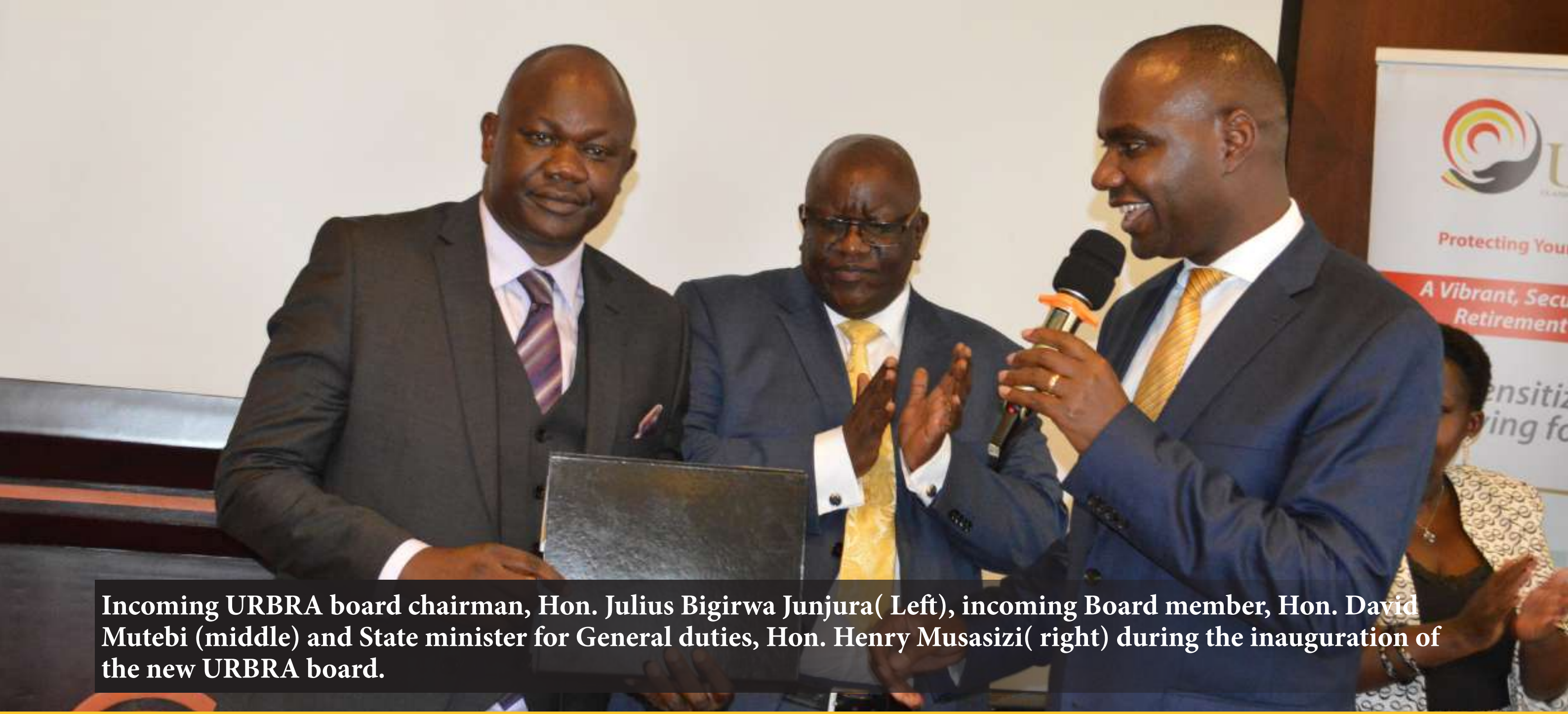
In addition to discussing the importance of retirement planning, the participants also discussed the importance of media outlets maintaining a balance between their business interests, the pursuit of professionalism, and the need for corporates to receive publicity.

Mr. Samuel Ssetumba, The Business Editor, Nation Media Group advised that media outlets should be transparent about their relationships with corporates and should ensure that their reporting is objective and accurate. "Maintaining this balance can be difficult, he noted but it is crucial for media outlets to be transparent about their relationships and to ensure that their reporting is unbiased in order to retain the trust of their audience".

Joan Mugenzi, a former media practitioner and author of ***Corporates At a Crossroads***, shared valuable tips with journalists on how to start planning for retirement as early as possible. By taking proactive steps towards saving for the future, individuals can avoid the challenges that come with trying to catch up later on.

Mugenzi emphasized the importance of setting financial goals and tracking expenses in order to gain a better understanding of one's financial situation. In addition, she recommended engaging in voluntary savings, such as setting aside a portion of one's income each month, as a way to boost retirement savings.

Furthermore, Mugenzi encouraged the journalists to be living examples in the campaign towards saving for retirement. By taking the initiative to plan for their own retirement, they can inspire others to do the same and raise awareness about the importance of being financially prepared for the future.



Incoming URBRA board chairman, Hon. Julius Bigirwa Junjura(Left), incoming Board member, Hon. David Mutebi (middle) and State minister for General duties, Hon. Henry Musasizi(right) during the inauguration of the new URBRA board.

New URBRA Board to strengthen schemes, promote partnerships, improve research

The Minister of State General Duties, Hon Henry Musasizi, has pledged the continued support of the Ministry of Finance Planning and Economic Development (MoFPED) to the Uganda Retirement Benefits Regulatory Authority (URBRA). This will be in form of financial resources, guidance and representation of the Authority's interests.

Hon. Musasizi was speaking at the inauguration of the new Board of Directors for URBRA in November at Serena Hotel, Kigo.

The new board was appointed, following the end of a decade under the Chairmanship of Senior Counsel Andrew Kasirye. The outgoing board was inaugurated in October 2011, soon after the establishment of the regulator through the enactment of the Uganda Retirement Benefits Regulatory Authority (URBRA) Act, 2011.

Hon Musasizi lauded the outgoing Board, former and current CEOs, as well as staff for ensuring the growth of URBRA to its current state. He especially noted that under URBRA's strict regulatory and supervisory regime, there hasn't been any record of schemes losing savers' money. He commended the Board and staff for effectively implementing URBRA's mandate of protecting savers' retirement benefits.

On outstanding sector challenges, the Minister told the new Board that the sector needs more support to continue contributing to national development. He observed that if schemes are well-regulated, they will keep growing and generate enough money to support the economy. This will halt capital flight and government's borrowing from other economies.

Minister Musasizi also noted that many people don't want to save for retirement, preferring to spend their money when they are still alive and energetic. He noted that many people didn't understand the difference between retirement savings and SACCOs. He challenged URBRA to persuade more people to save for retirement and avoid old-age poverty. On this note, he urged the new board to lead by example, and embark on voluntary saving as individuals.

The incoming Chairman, Hon Julius Bigirwa Junjura, thanked the Minister for entrusting him with the responsibility of leading the URBRA Board of Directors. Having been a member of the outgoing Board for the last three years, Hon Junjura commended his colleagues for mentoring and preparing him for his new role. He thanked the Directors for the stewardship over the past ten years, and committed to carry the good work forward, and create even more milestones to steer the authority further ahead.

Among the priorities, Hon. Junjura said the Board would strengthen the Research Directorate to make URBRA a one-stop centre for information regarding pensions issues. He also pledged to engage the ministries implementing government programmes like the Parish Development Model, to ensure that they include URBRA in the implementation processes. Hon Junjura also pledged to improve partnerships with Ministry of Health and Ministry of Education.

"You cannot talk about retirement without partnering with the Ministry of Health on how to live healthy. We also have to engage the Ministry of Education so that the pupils are involved in developing the saving culture," Junjura said. He also pledged to strengthen the existing schemes and improve retirement benefits products and to promote dignity in retirement.

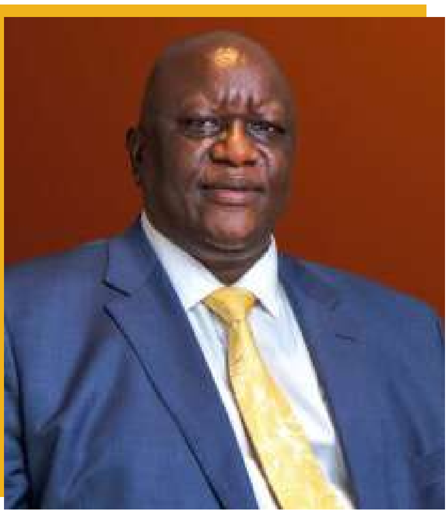
The outgoing Board Chairman, Senior Counsel Andrew Kasirye, congratulated the new Directors and pledged full support and guidance to his successor. Reminiscing on URBRA's beginnings, Mr. Kasirye noted that the Authority started with nothing but an Act of Parliament. He commended the founding Board and staff for setting up the Authority. He commended past CEOs, Mr. Moses Bekabye and Mr David Nyakundi for setting a good pace, and current CEO, Mr. Martin Nsubuga for maintaining the standards set by his predecessors. According to Senior Counsel Kasirye, the most outstanding achievement of his Board is improved scheme governance and professionalism in the sector. "When we came in, the sector assets under management were below four trillion, today the sector is worth 20 trillion. There are 65 schemes now, but when we started there were only three known schemes. It is because of our efforts to set up a robust framework for regulation and supervision," he said.

To spur more growth, Mr. Kasirye pointed to the need to liberalise the sector to encourage more competition and to improve efficiencies and performance of the existing schemes. He also expressed a need for more public awareness about retirement saving and to attain more visibility for URBRA.

Outgoing board member, Mrs. Rosemary Ssenabulya urged the incoming board to apply the "eyes on, hands off" approach which had enabled the old board to maintain a good working relationship with management. She pledged her continued support, given her wide experience in the labour and employment sector. She expressed pride in the calibre of staff that they had attracted, exposed and maintained. "We leave behind a competent, knowledgeable and skilled staff. It took us time and effort to get the best and we have jealously tried to retain them. Struggle to maintain the good staff so that they don't leave us," she advised.

Dr. Robert Okello, also one of the founding Board members, appealed to the new Board Chairman to remember that URBRA is not only for Kampala, but for the whole country. He advised them to ensure that they constitute a representative board.

The other new members joining the URBRA Board are:



Hon. Mutebi David Ronnie: Former Member of Parliament, Buikwe South Constituency (2016-2021), Managing Director, World Point Group. Experienced in communication, marketing, distribution and brand development

Ninsiima Ronah Rita: Former journalist (2000-2010), former Woman Member of Parliament, Kabale District (2011-2016) while in parliament she served on the Human Rights, Health and Local Government accounts committee.

Dr. Mary Kanyiginya Tizikara is an experienced HR professional with more than 11 years at senior managerial level. She possesses specialized skills in organisational development and institutional strengthening.

Heads of financial institutions and regulatory bodies at the WORLD SAVINGS DAY 2022 Press Conference

Be like a squirrel, save for a wintry day and prioritise safety

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.

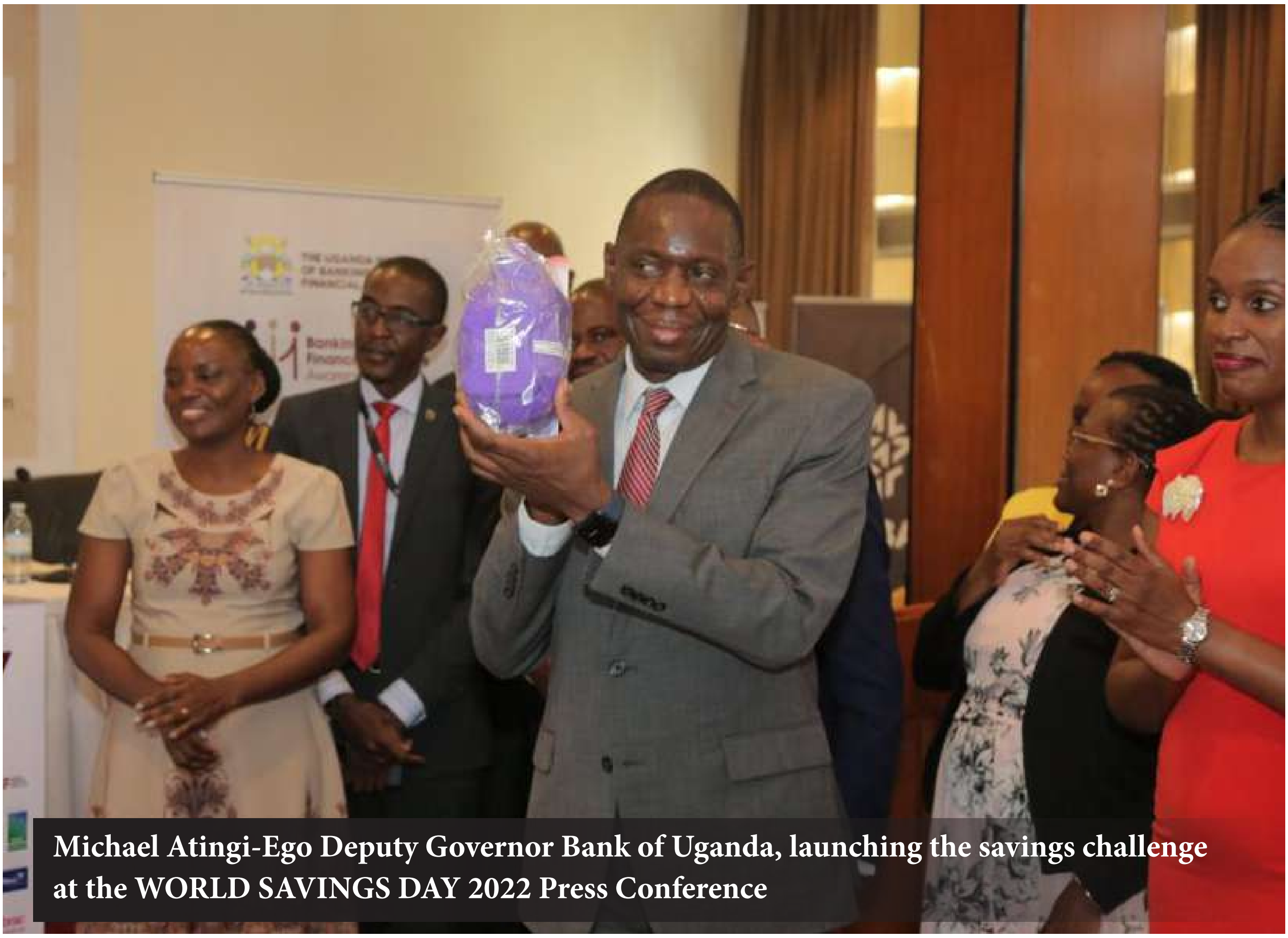
On that note, Mr. Atingi-Ego appealed to each institution in the sector to invest in risk-based supervision systems to minimise risks in deposit protection institutions. "There is need to strengthen cyber security. Money only makes the world go around when deposited in a regulated institution," he said.

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.



Michael Atingi-Ego Deputy Governor Bank of Uganda, launching the savings challenge at the WORLD SAVINGS DAY 2022 Press Conference

Every woman can start small and grow big

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 organized as part of the ongoing banking and financial services awareness month. The one-month campaign is spearheaded by the Uganda Institute of Banking and Financial Services, in conjunction with financial services sector regulators, including URBRA.

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.

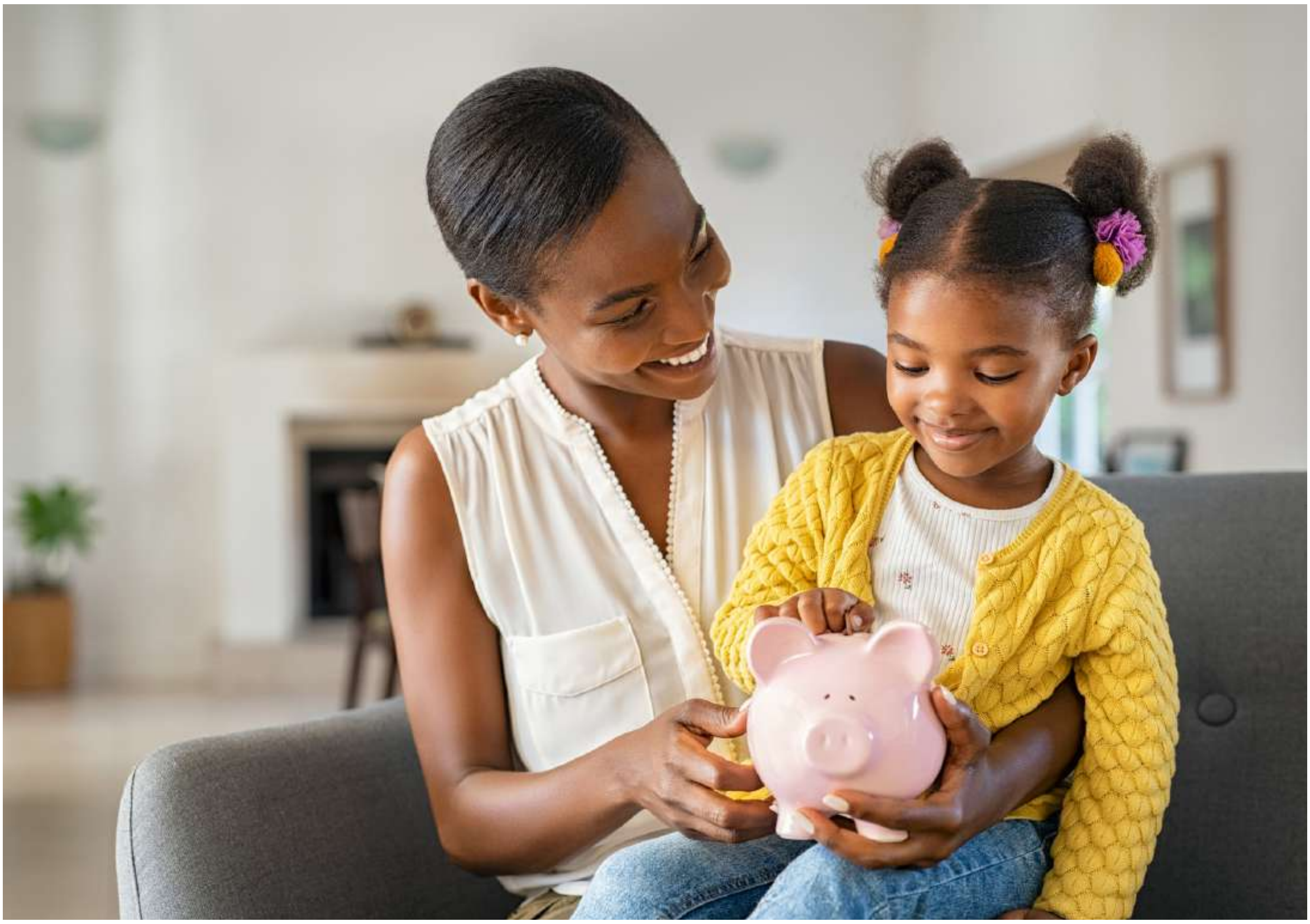
Start small, be consistent, grow big: Once you find your purpose and passion work at it! Take initiative and start pursuing your goals. Know your strengths and weaknesses, apply special weapons and tactics, so that you hone your skills and tools to enable you pursue your purpose and passion. Start! You 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.



Advocates need a retirement benefits scheme – Jinja and Mbale lawyers concur

Ms Rita Nansasi, the Chief Manager Legal Services -URBRA

The Directorate of Legal Services in partnership with Uganda Law Society (ULS) conducted two engagements for Lawyers in Mbale and Jinja Districts, to share recent developments in the retirement benefits sector.

The engagements were implemented as part of a Memorandum of Understanding between URBRA and ULS signed in April 2021. The MOU stipulates that on an annual basis URBRA sponsors at least one training for lawyers, after which ULS awards Continuous Professional Development (CPD) points to lawyers who attend the sessions.

A total of 121 Advocates in Eastern Uganda were trained – 76 in Mbale and 45 in Jinja.

In her remarks, Ms Rita Nansasi, the Chief Manager Legal Services, explained the mandate of URBRA and acknowledged that lawyers are key stakeholders in the retirement benefits sector as they are involve in a wide range of productive activities that contribute to the national economy.

She therefore urged them to start saving for retirement since they, like any other Ugandans, are concerned about retirement.

In the discussions that ensued, lawyers sought more understanding of the different types of retirement saving schemes, and the procedure for establishing them.

They further inquired about how they could position themselves for opportunities in the sector. Other inquiries were about the requirements for trustees, taxation of benefits and how URBRA differs from NSSF.

The lawyers expressed interest in starting up a retirement benefits scheme for advocates through the Uganda Law Society (ULS)

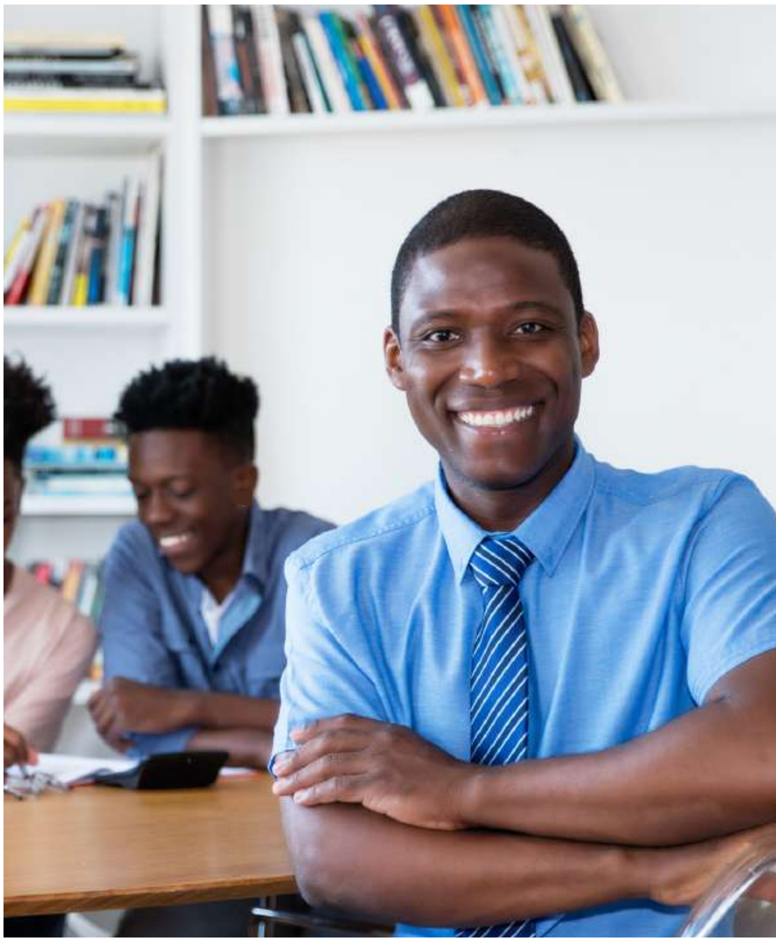
They further recommended that in the future, they would like URBRA to conduct engagements on various topics including: Financial Management during retirement; investment of retirement savings; the role of trustees; the difference between insurance and retirement benefits; and to conduct an annual pre-retirement training for advocates.

Financial Planning for Young People: A four-step guide

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.



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.

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.

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.

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:

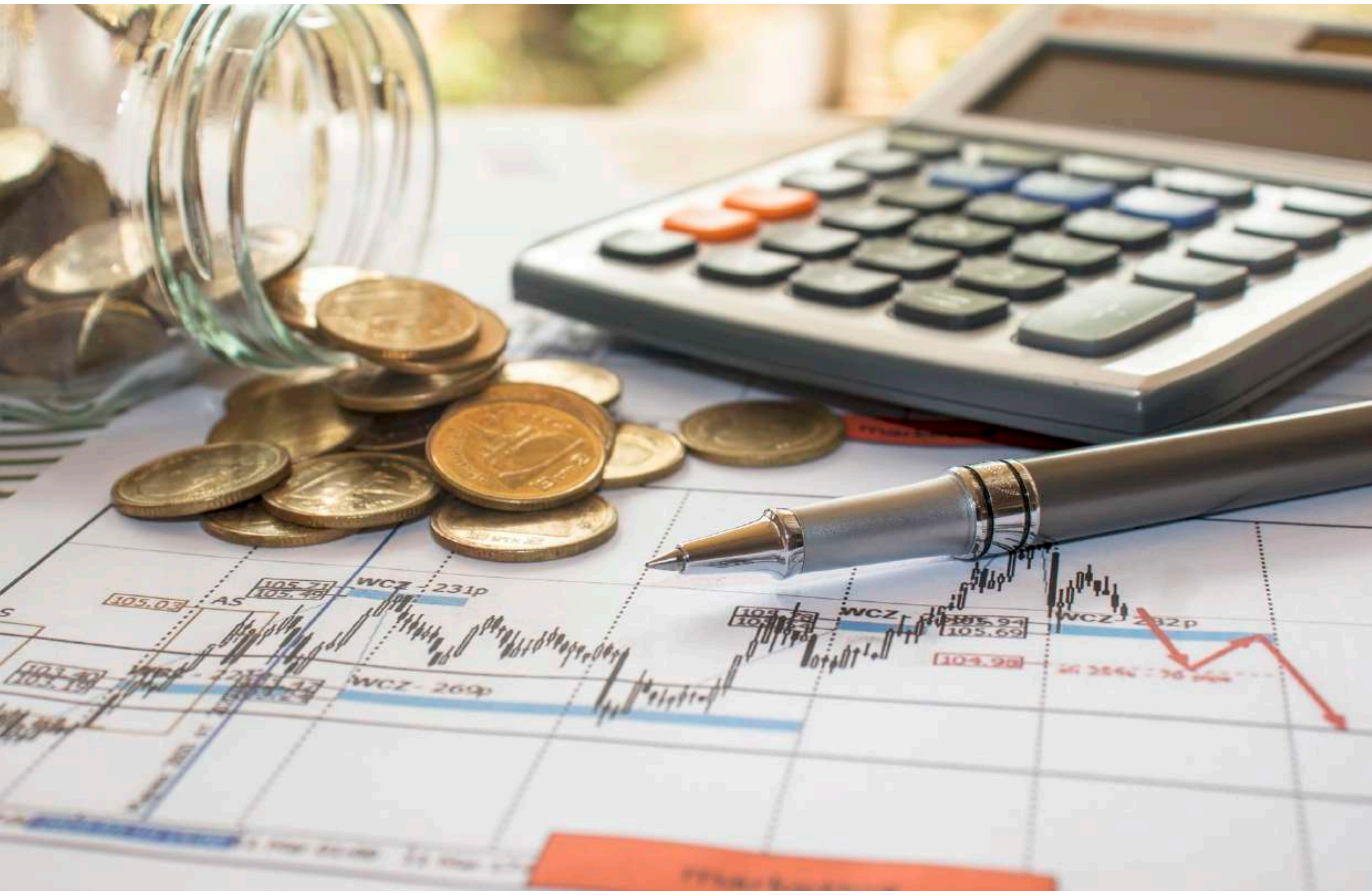
- I need a higher income to save and invest; In reality, you do not need a lot of money to start saving and investing. Even small amounts can add up over time and can be a good foundation for building wealth.

- 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.



To attain financial independence in retirement, set goals, save, invest and aim to be debt-free

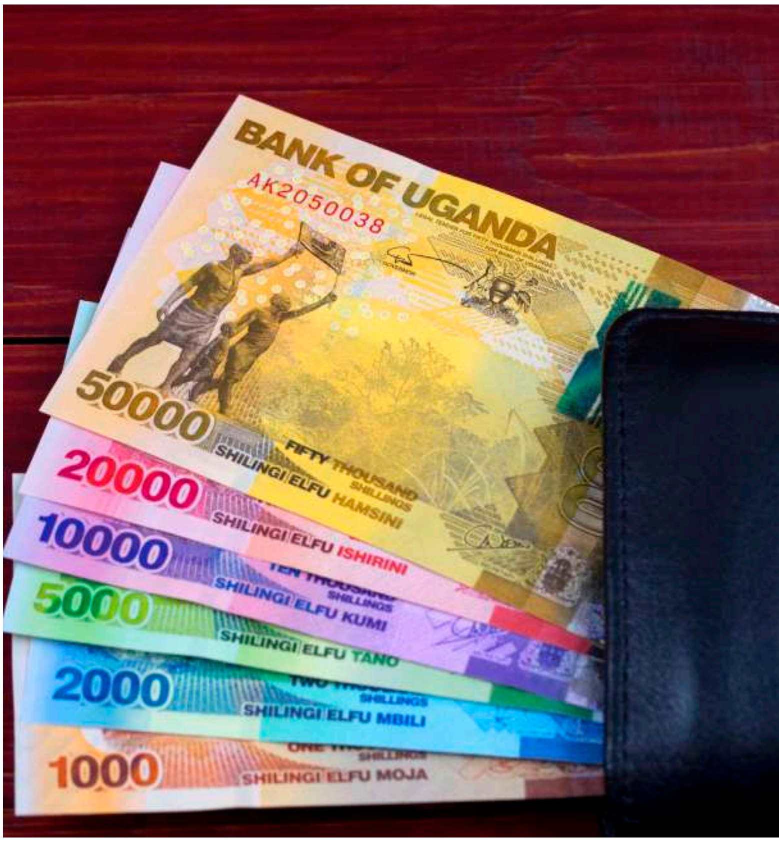
Three years ago, Lilian Katiso retired from her full-time job to focus on her own business. She would have liked to stay on, but the circumstances had changed and suddenly, she had to retire – or redeploy herself as she prefers to call it. Thankfully, Lilian had developed a retirement plan seven years 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…all boils down to how well you plan.

As part of the webinar series to mark financial awareness month, Lilian shared her experience, with a view to inspire participants to start planning and saving for retirement early enough. She shared a number of principles that can be adopted and applied by nearly anyone – no matter what they do for a living.

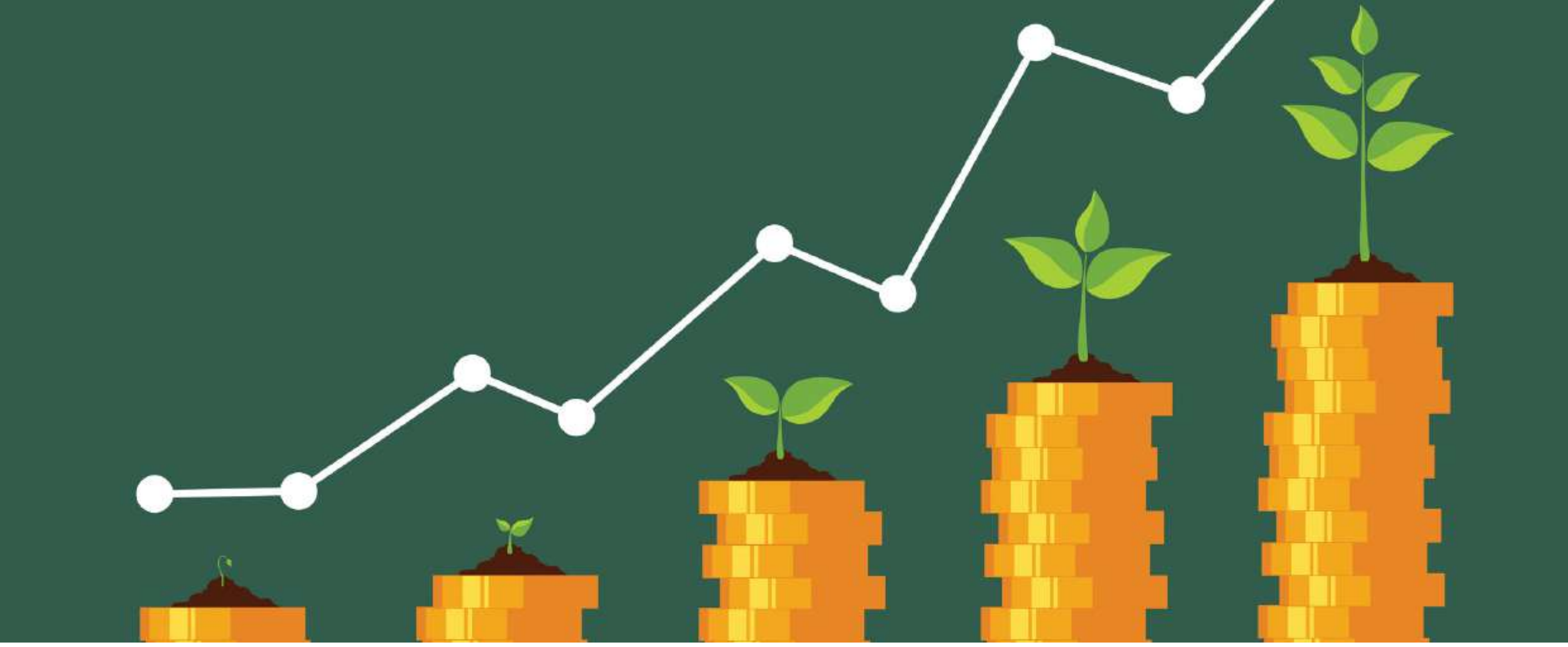
In the event that your current source of income dried up, how long would you survive on your savings? The answer can be gleaned from Lilian's own experience. When she got the news of the termination of her contract, Lilian wasn't stressed because she had been saving for over five years. Hence, she had enough savings to keep her going and to enable her set up her own company. You may never know how soon



your job will end, so I is better to prepare for the likelihood. It is very 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. Written goals become your compass, guiding you to your destination.

Have a budget: A budget is telling your money where to go rather than wonder where it went. It directs your expenditure. 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. Expenses should not go beyond your income.



It is also important to have three months' worth of income of set aside in a readily accessible account. There is a tendency to invest in assets that can't be quickly liquidated, limiting one's ability to address immediate needs. Take the example of the Covid19 situation. Many people had assets, but they lacked cashflow, and they suffered greatly under lockdown conditions. Thus your emergency fund must have readily accessible cash, everything in excess of that should be invested.

Make your money work for you by investing it: Savings do not grow money; they only help you pool money for planned investments. Saving is setting aside money that you don't want to spend now. It is money you set aside for emergencies or for a future purchase. Its 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. It is also important to take advantage and recognize your season of plenty to prepare for your time of hunger.

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. For example, you may put 50%-60% investment in real estate and fixed deposits which have low risk and low return; you may put 30% to 40% in medium risk investments like financial instruments like treasury bills, bonds, mutual funds and unit trusts; you may also allocate 10 % to 15% in high-risk investments like business or equity.

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. You don't want to go retirement burdened with debt. Consider having a debt repayment sheet to schedule your debt payments. The main goal is to go in retirement debt-free.

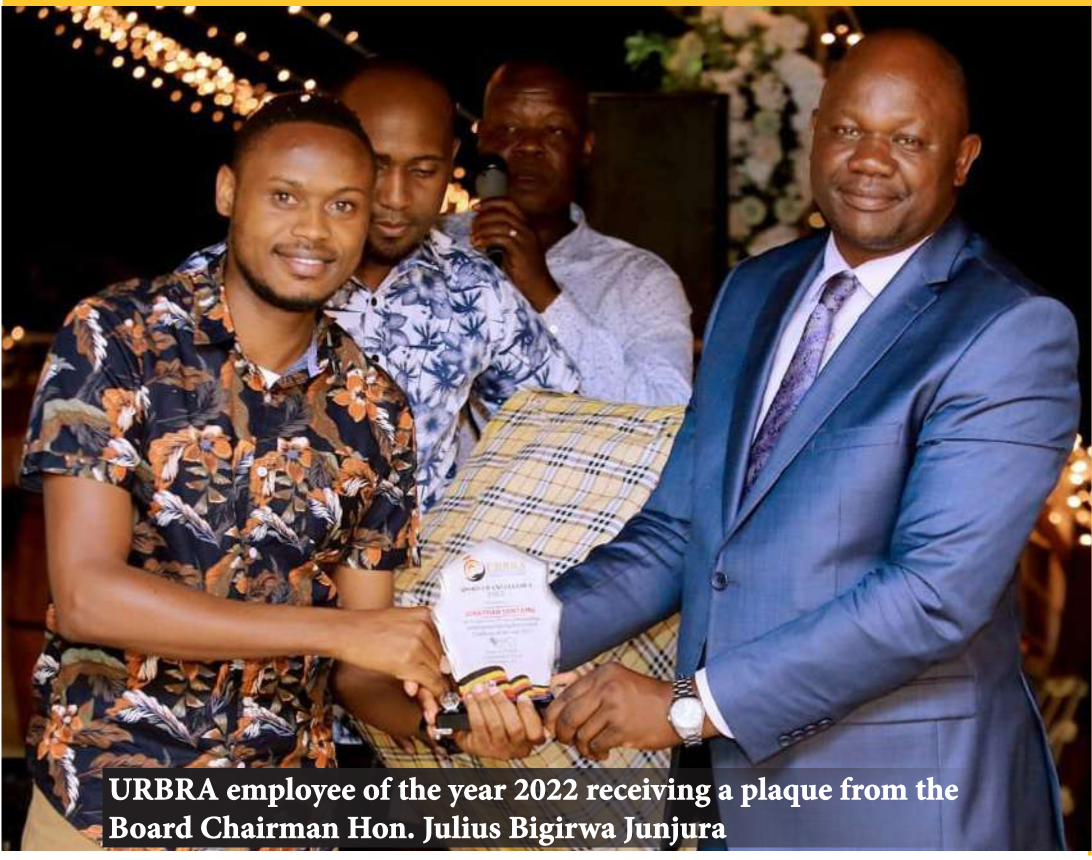
Multiply revenue streams: It important to diversify your revenue streams so that in case one stream dries up you have another one. Increase your ability to earn by improving your skills or learning new ones. Everyone needs multiple streams and there are a variety to pick from – for example earned income, dividend income, interest income, profit, capital gains, royalty income, residual income. 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.

I have given 100% to my career journey with URBRA



URBRA employee of the year 2022 receiving a plaque from the Board Chairman Hon. Julius Bigirwa Junjura

Jonathan Ssentamu,
Risk and Investment Analyst,-URBRA

On 8th December 2022, Jonathan Ssentamu was crowned URBRA employee of the year. Jonathan is the Risk and Investment Analyst, and has been with URBRA for just over four years – having joined as a Compliance Assistant in 2018.

During his tenure at URBRA, Jonathan has been involved in numerous projects and activities, but the one that brings him great pride is being part of the project management team for the development of the Electronic Risk-Based Supervision System.

"Together with the project team, we have defined all significant processes and the preliminary steps to a customized end-to-end automated solution which will go a long way in improving the Authority's capabilities in regulation and supervising licenced entities and achieving a secure and stable retirement benefits sector," Jonathan says proudly, adding that the target is to bring efficiency and real time analytics into the monitoring and supervisory functions of URBRA.

One wonders what makes him so passionate and motivated to the extent of earning special recognition from his colleagues. "Whereas I have this self-drive to excel and have things done, the people I work with are a special motivation. The working relationship right from my Department, the Directorate of Supervision & Market Conduct and all the other Directorates within the Authority is generally healthy for me and such a work environment keeps me going," Jonathan reveals.

For him, the honor of such an award only drives him to work ever harder to maintain his streak of excellence. He says, "I've given 100% to my career journey with URBRA. Of course, along the way, good things have encouraged me to do better while mistakes and failures have helped me improve. What I have done has resulted into this award, so I wouldn't do it differently."

Jonathan appreciates the cordiality of fellow staff who have made it possible for him to contribute to the attainment of institutional and personal goals saying: "We really achieve so much when we work together. Special thanks to the Risk & Investment Department and the Electronic Risk-Based Supervision Project Management Team for the group effort and to my colleagues for cheering me on. I am also grateful to my supervisors for their unwavering support that has been key to my performance and career development, and the URBRA Board and Management for the opportunities they have offered for me to strengthen my skills and grow my career."