

ANNOUNCEMENT

Compulsory pension contributions (CPC): who is obliged to pay and how?

As of May 1, 2024, about 96.5% of pension assets are formed through the timely transfer of compulsory pension contributions (CPC).

The opening of individual pension savings account (IPSA) for accounting of CPC in UAPF is carried out on the basis of the list of individuals submitted by agents who pay the CPC to UAPF during the transferring of CPC or penalties in the manner determined by the Government of the Republic of Kazakhstan. Thus, the employee does not need to independently apply to the UAPF to open an IPSA.

The Social Code stipulates that the procedure and terms for calculating, withholding (accruing) and transferring CPC, compulsory occupational pension contributions (COPC) to the UAPF and collections on them are elaborated by the authorized government body and approved by the Government of the Republic of Kazakhstan¹.

Transferring the CPC by the agent

In accordance with the norms of the Social Code an agent who transfers the CPC (agent) is an individual or legal entity, including a foreign legal entity, operating in the Republic of Kazakhstan through a permanent establishment, branches, representative offices of foreign legal entities, calculating, withholding (accruing) and transferring CPC to the UAPF in the manner determined by the legislation of the Republic of Kazakhstan.

Wherein, agents are assigned the obligation to timely calculate, withhold (accrue) and pay CPC to the UAPF from the incomes:

- 1) of employees, persons with other paid work (elected, appointed or approved), including those working in representative offices of international organizations in the Republic of Kazakhstan, diplomatic missions and consular offices of foreign states accredited in the Republic of Kazakhstan;
- 2) of persons receiving income under civil law contracts, the subject of which is provision of services, concluded with tax agents, including those working in representative offices of international organizations in the Republic of Kazakhstan, diplomatic missions and consular offices of foreign states accredited in the Republic of Kazakhstan.

Agents transfer CPC by non-cash payments to the State Corporation "Government for Citizens", which transfers CPC to the UAPF in accordance with a unified list of individuals. Details for transfer can be found [on the website enpf.kz](http://www.enpf.kz) in the "Services" section.

Paying CPC independently

In accordance with the norms of the Social Code, payment of CPC to the UAPF is carried out independently:

- 1) by individual entrepreneurs, including heads of peasant or farm enterprises, their members who have reached the age of eighteen, as well as persons engaged in private practice, for their own benefit;
- 2) by individuals permanently residing in the territory of the Republic of Kazakhstan, receiving income under civil contracts, the subject of which is the provision of services, concluded with individuals who are not tax agents;

¹ Rules and terms for calculation, withholding (accrual) and transfer of compulsory pension contributions, compulsory occupational pension contributions to the unified accumulative pension fund and penalties for them, approved by Decree of the Government of the Republic of Kazakhstan dated June 30, 2023 No. 525

3) by individuals permanently residing in the territory of the Republic of Kazakhstan, working in representative offices of international organizations in the Republic of Kazakhstan, diplomatic missions and consular offices of foreign states accredited in the Republic of Kazakhstan.

Payment of CPC in this case can be made in cash through second-tier banks.

The detailed procedure, rates and terms for payment of CPC, depending on the type of contributor, are indicated on the enpf.kz website in the “Services” section.

Please note that according to the Social Code, CPC amounts not withheld (not accrued) and (or) not transferred by the agent in a timely manner, subject to the actual payment and receipt of income by the employee, are collected by state revenue authorities or are subject to transfer by the agent in favor of CPC contributors with an accrued penalty of 1,25 times of the base rate of the National Bank of the Republic of Kazakhstan for each day of delay (including the day of payment to the State Corporation).

The following are exempt from paying compulsory pension contributions to the UAPF:

- 1) persons who have reached retirement age in accordance with paragraph 1 of Article 207 of the Social Code;
- 2) persons with disabilities of the first and second groups, if the disability is established for an indefinite period. Payment of CPC to the UAPF is carried out at the request of the indicated persons;
- 3) military personnel (except for conscripts), employees of special state and law enforcement agencies, the state courier service, as well as persons whose rights to have special ranks, class ranks and wear uniforms have been abolished since January 1, 2012;
- 4) recipients of pension payments for long service.

You can get answers to all your questions and check information both **in UAPF branches** and remotely: on the website enpf.kz, the БЖЗК/ЕНПФ mobile application, through multi-channel free communication by reaching the call center 1418, as well as via WhatsApp at +7 777 000 1418, on the official pages of the UAPF on social networks on such popular platforms as “Odnoklassniki”, “Telegram”, “Facebook”, “Vkontakte”, “Twitter” and “Instagram”.

UAPF was founded on August 22, 2013 on the basis of GNPF APF JSC. The founder and shareholder of the UAPF is the Government of the Republic of Kazakhstan represented by the State Institution Committee of State Property and Privatization of the Ministry of Finance of the Republic of Kazakhstan. Trust management of UAPF pension assets is carried out by the National Bank of the Republic of Kazakhstan. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, employer’s compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, as well as carries out enrollment and accounting of voluntary pension contributions formed at the expense of the unclaimed amount of guaranteed compensation for the guaranteed deposit, transferred by the organization carrying out mandatory guarantee of deposits, in accordance with the Law of the Republic of Kazakhstan “On mandatory guarantee of deposits placed in second-tier banks of the Republic of Kazakhstan”, ensures the implementation of pension benefits. The Fund also carries out accounting of target assets and target requirements, accounting and crediting of target savings (TS) to target savings accounts, payments of TS to their recipients in bank accounts, accounting for returns of TS in the manner determined by the Government of the Republic of Kazakhstan within the framework of the National Fund for Children program (More details at www.enpf.kz).