

Current questions about UAPF

If a person has already retired and started receiving benefits, will his savings in the UAPF continue to be invested?

All money received on the individual pension saving account of the contributor, including CPC, COPC, VPC, as well as investment income accrued on them, penalties and other receipts, after the contributor reaches retirement age, is still part of his pension assets and will be invested by the National Bank of the Republic of Kazakhstan in accordance with the Law of the Republic of Kazakhstan *On Pension Provision in the Republic of Kazakhstan*.

The entire system of investment management and accounting of pension assets is transparent: each contributor has the opportunity to see his investment income in his personal account on the enpf.kz website, in a mobile application or on the e-government portal. Information on the financial instruments in which pension assets are placed is published on the UAPF website in the "Indicators/Investment Activity" section.

Once, on the advice of a friend, I transferred part of my pension savings to an insurance company. Can I return it to UAPF?

In accordance with the Law of the Republic of Kazakhstan dated 12.07.2022 No. No. 138-VII *On Amendments and Additions to Some Legislative Acts of the Republic of Kazakhstan on the Regulation and Development of the Insurance Market and the Securities Market, Banking Activities* amendments and additions were made to regulatory legal acts, including the Law of the Republic of Kazakhstan *On Pension Provision in the Republic of Kazakhstan* (hereinafter referred to as the Law).

Thus, in accordance with the amendments and additions that entered into force on September 12, 2022, which also apply to legal relations arising from pension annuity agreements (hereinafter referred to as PAA) concluded before September 12, 2022, persons who have entered into a PAA have the right not earlier than two years from the date of its conclusion, to apply to the insurance company with an application to change the conditions of the PAA in terms of reducing the amount of insurance benefits and returning money to the UAPF. The amount of money to be returned to the UAPF is equal to the difference between the redemption amount for the PAA on the date of amendments to it and the amount of the insurance premium calculated on the basis of the amount of payment determined by paragraph 2 of Article 59 of the Law, as of the date of amendments to the PAA. According to paragraph 2 of Article 59 of the Law, the amount of the monthly insurance benefit from the insurance company cannot be lower than 70 percent of the subsistence minimum (1.4 times the subsistence minimum in the case of the conclusion of a pension annuity agreement by two persons), effective on the date of conclusion of the PAA.

The procedure for transferring the redemption amount to the UAPF under the PAA is determined by the provisions of the *Rules for concluding a pension annuity agreement with an insurance organization and transferring pension savings (redemption amount) to an insurance organization, a unified accumulative pension fund under a pension annuity agreement*, approved by a resolution of the Board of the Agency of the Republic of Kazakhstan for regulation and development of financial of the market dated October 20, 2022 No. 73, which entered into force on November 8, 2022, according to which the sending insurance organization is obliged, within 20 (twenty) calendar days from the date of receipt of the application for changing the PAA conditions, to transfer the money subject to return to UAPF for their crediting by the latter within 5 (five) business days to the individual pension saving accounts of the contributor (contributors) and (or) the beneficiary (beneficiaries) and (or) the insured (assured) in the manner determined by the internal documents of the UAPF.

Thus, you have the right to apply to the insurance organization with which you have concluded a PAA and return to the UAPF a part of the insurance premium that exceeds the minimum cost of the PAA, if any.

Now there is a lot of talk that our pension savings may “disappear”. I am worried, so I would like to know what are the guarantees for the safety of my pension savings?

Kazakhstan is the only country in the world where there is a state guarantee of the safety of pension savings of citizens, taking into account the level of inflation at the time of retirement.

The Law *On Pension Provision in the Republic of Kazakhstan* (Article 5) guarantees recipients the safety of compulsory pension contributions and compulsory occupational pension contributions to the UAPF in the amount of actually paid contributions, taking into account the inflation rate at the time of obtaining the right to pension benefits.

In other words, when a person retires, the return on his individual pension saving account is calculated in relation to the inflation rate for the entire period of being in the funded pension system. If the return on pension savings during this time is below the level of inflation, the state compensates for this difference. Therefore, you can be sure that the savings of contributors are reliably protected and this does not depend on how events develop in the financial markets and the situation with investment income.

Contributors receive the right to benefit under a state guarantee upon reaching retirement age. In addition, people with disabilities of groups I and II have this right, if the disability is established indefinitely, persons who have left for permanent residence outside Kazakhstan, foreigners and stateless persons who transferred CPC, COPC, heirs in the event of the death of a person entitled to payment under a government guarantee.

Back in 2021, I withdrew part of my pension savings above the sufficiency threshold. Can I withdraw again this year?

In accordance with the provisions of paragraph 1-1 of Article 31 and paragraph 1-1 of Article 32 of the Law of the Republic of Kazakhstan *On Pension Provision in the Republic of Kazakhstan* (hereinafter referred to as the Law), the right to use part of their pension savings in order to improve housing conditions and (or) to pay for medical treatment in their favor or spouse (wife), or close relatives can be used by the following persons who have pension savings in the UAPF formed from compulsory pension contributions (hereinafter referred to as CPC) and (or) compulsory occupational pension contributions (hereinafter referred to as COPC):

1) the amount of pension savings of which exceeds the minimum pension savings adequacy threshold (hereinafter referred to as the MAT). At the same time, the lump-sum pension benefit cannot exceed the amount of the difference between the amount of pension savings due to the CPC and (or) COPC of the contributor (beneficiary) and the MAT calculated in accordance with the *Methodology for determining the minimum adequacy threshold for pension savings approved by the Government of the Republic of Kazakhstan*, as of the date of receipt of an electronic notification from authorized operator;

2) for which the size of the pension ensures the replacement rate of the average monthly income of the recipient at a level not lower than 40 percent, determined in the manner determined by the Government of the Republic of Kazakhstan. At the same time, the lump-sum pension benefit cannot exceed 50 percent of the amount of pension savings due to the CPC and (or) COPC of the contributor (beneficiary) as of the date of receipt of the initial electronic notification from the authorized operator;

3) those who have entered into a pension annuity agreement with an insurance company. At the same time, the lump-sum pension benefit cannot exceed the amount of pension savings due to CPC and (or) COPC on the individual pension accounts of the contributor (beneficiary).

In case of compliance with the above requirements of the legislation, lump-sum pension benefits can be used by the contributor (beneficiary) repeatedly within the available amount.

Thus, the availability of the amount of pension savings from CPC and (or) COPC, available for withdrawal in order to improve housing conditions and (or) pay for medical treatment, can be checked 24/7 on the website or in the UAPF or e-government mobile application.

Is there a need to constantly check your pension savings and how to do it?

The UAPF on an ongoing basis recommends that its contributors (beneficiaries) monitor the status of their pension savings on an individual pension account (hereinafter referred to as IPSA), including paying attention to the timely transfer / receipt of pension contributions / LPB to your IPSA in UAPF. Unfortunately, there are cases when the employer does not fulfill or does not fulfill its obligations in full. Therefore, it will not be superfluous to systematically check the status of pension savings on your IPSA.

Obtaining a statement from IPSA is a statutory right of contributors (beneficiaries). You can find out about the status of your pension savings in the following ways:

- electronic:
 - through a personal account on the website or in the БЖЗК/ЕНПФ mobile application or electronic government (egov.kz) using an electronic digital signature or username and password;
 - by e-mail to the address provided in the UAPF;
- in case of personal appeal directly to the UAPF office;
- through postal services.

We remind you that the contributor (beneficiary) must inform the UAPF within 10 calendar days of all changes affecting the fulfillment of its obligations by the UAPF.