

# **VOTE: 163 Uganda Retirement Benefits Regulatory Authority**

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## **I. VOTE MISSION STATEMENT**

To regulate, supervise and promote the development of a stable and effective retirement benefits sector.

## **II. STRATEGIC OBJECTIVE**

A vibrant, secure and sustainable retirement benefits sector

## **III. MAJOR ACHIEVEMENTS IN 2023/24**

- 1) Schemes contributed significantly to the national revenue by paying UGX 235 billion in taxes for FY 2022-23, an increase from UGX 227 billion in FY 2021-22.
- 2) Maintained robust protection of the retirement benefit sector's financial integrity by recovering UGX 26 billion due to unpaid benefits, unremitted contributions, and misappropriated member funds.
- 3) Total assets in the retirement benefit sector increased from UGX 20 Trillion in FY 2021-22 to UGX 22 Trillion in FY 2022-23, fueled by net contributions and investment returns.
- 4) Effectively licensed 64 schemes and 229 service providers, enabling duty segregation and enhancing scheme governance. Service providers included 204 individual trustees, 10 administrators, 5 custodians, 6 fund managers, and 4 corporate trustees.
- 5) Launched the Electronic Risk Based Supervision System, significantly enhancing risk monitoring and reporting capabilities.
- 6) Successfully spearheaded stakeholder collaboration to enhance pension inclusion across Africa through organizing the 4th Africa Pension Supervisors Association (APSA) Annual Conference.
- 7) Completed stakeholder consultations for the Feasibility study on the establishment of the National Long-Term Savings Scheme.
- 8) Completed thorough pre-licensing inspections and due diligence processes for 7 scheme administrators, ensuring compliance and operational readiness.
- 9) Prepared 5 legal opinions, covering critical areas such as:
  - Employer rights regarding withholding provident fund benefits pending resolution of claims against an employee.
  - Treatment of death benefits for deceased members of retirement benefits schemes.
  - Definition of Public Interest Entities.
  - Implications of shareholding changes in Sanlam Insurance East African Limited.
  - Payment of benefits for former employees of Uganda Railways Corporation.
- 10) Trained 30 business journalists (23 male, 7 female) to enhance their comprehension of the Retirement Benefits Sector complexities, current challenges, and emerging trends.
- 11) Maintained comprehensive oversight of the Sector by conducting pre-licensing inspections for 10 administrators and executing 6 onsite inspections, ensuring the robust implementation of supervisory directives, effective corrective measures, and the soundness of internal controls.
- 12) Facilitated sensitization sessions for 6 prospective employers, guiding discussions on the strategic establishment of retirement benefit schemes.
- 13) Enhanced awareness among 366 scheme members (163 female, 203 male) from URA and ICEA Umbrella RBS about their rights and obligations under the URBRA Act and Regulations, strengthening informed participation in retirement benefit schemes.

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## IV. MEDIUM TERM BUDGET ALLOCATIONS

Table 4.1: Overview of Vote Expenditure (Ushs Billion)

	2023/24		2024/25	MTEF Budget Projections				
	Approved Budget	Spent by End Dec	Budget Estimates	2025/26	2026/27	2027/28	2028/29	
<b>Recurrent</b>	Wage	6.829	2.821	7.510	7.885	8.279	8.693	9.563
	Non-Wage	7.758	2.900	9.109	9.292	10.871	12.502	15.002
<b>Devt.</b>	GoU	0.000	0.000	0.000	0.000	0.000	0.000	0.000
	Ext Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>		<b>14.587</b>	<b>5.721</b>	<b>16.619</b>	<b>17.177</b>	<b>19.151</b>	<b>21.195</b>	<b>24.565</b>
<b>Total GoU+Ext Fin (MTEF)</b>		<b>14.587</b>	<b>5.721</b>	<b>16.619</b>	<b>17.177</b>	<b>19.151</b>	<b>21.195</b>	<b>24.565</b>
Arrears		0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Budget</b>		<b>14.587</b>	<b>5.721</b>	<b>16.619</b>	<b>17.177</b>	<b>19.151</b>	<b>21.195</b>	<b>24.565</b>
<b>Total Vote Budget Excluding Arrears</b>		<b>14.587</b>	<b>5.721</b>	<b>16.619</b>	<b>17.177</b>	<b>19.151</b>	<b>21.195</b>	<b>24.565</b>

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Table 4.2: Budget Allocation by Department for Recurrent and Development (Ushs Billion)

<i>Billion Uganda Shillings</i>	Draft Budget Estimates FY 2024/25	
	Recurrent	Development
<b>Programme:07 Private Sector Development</b>	<b>16.619</b>	<b>0.000</b>
<b>SubProgramme:01 Enabling Environment</b>	<b>16.619</b>	<b>0.000</b>
<b>Sub SubProgramme:01 General Administration and Support Services</b>	<b>10.258</b>	<b>0.000</b>
001 Finance and Administration	10.258	0.000
<b>Sub SubProgramme:02 Regulation and Supervision</b>	<b>4.866</b>	<b>0.000</b>
001 Board Affairs	0.745	0.000
002 Legal Services	0.888	0.000
003 Market Conduct	0.137	0.000
004 Prudential Supervision	0.407	0.000
005 Risk and Investment Analysis	2.689	0.000
<b>Sub SubProgramme:03 Research and Strategy</b>	<b>1.494</b>	<b>0.000</b>
001 Planning and Strategy	0.318	0.000
002 Research and Quality Assurance	1.176	0.000
<b>Total for the Vote</b>	<b>16.619</b>	<b>0.000</b>

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## V. PERFORMANCE INDICATORS AND PLANNED OUTPUTS

**Table 5.1: Performance Indicators**

**Programme: 07 Private Sector Development**

**SubProgramme: 01 Enabling Environment**

**Sub SubProgramme: 01 General Administration and Support Services**

**Department: 001 Finance and Administration**

**Budget Output: 000001 Audit and Risk Management**

**PIAP Output: Increased coverage and growth of the Retirement Benefits Sector**

**Programme Intervention: 070503 Increase access to long-term finance**

Indicator Name	Indicator Measure	Base Year	Base Level	2023/24		Performance Targets
				Target	Q2 Performance	2024/25
Annual Retirement Benefits Sector Asset Growth Rate	Percentage	2018-2019	26.1%	18.0%	9%	18%
Coverage (% of labour force enrolled)	Percentage	2018-2019	14.0%	18.8%	14.6%	20%
Overall Scheme Risk Rating in the Retirement Benefits Sector	Rate	2018-2019	1.66	0.86	0.89	0.66
Sector Operating Ratio (Cost to Asset ratio)	Ratio	2018-2019	1.20	1.00	1.1	1

**Budget Output: 000004 Finance and Accounting**

**PIAP Output: Increased coverage and growth of the Retirement Benefits Sector**

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**Budget Output: 000005 Human Resource Management**

**PIAP Output: Increased coverage and growth of the Retirement Benefits Sector**

**Programme Intervention: 070503 Increase access to long-term finance**

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Sub SubProgramme: 01 General Administration and Support Services

Department: 001 Finance and Administration

Budget Output: 000005 Human Resource Management

PIAP Output: Increased coverage and growth of the Retirement Benefits Sector

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## VI. VOTE NARRATIVE

### Vote Challenges

- 1) Limited Coverage of retirement benefit arrangements within the working population.
- 2) Low Saving Adequacy with an average member balance of approximately UGX 9 million.
- 3) Unfunded Public Service Pension Scheme poses a significant fiscal burden, requiring attention to ensure its sustainability and minimize adverse impacts on public finances.
- 4) Lack of a clear policy on the transfer and preservation of retirement benefits before and during retirement.
- 5) Slow responsiveness to initiatives promoting retirement planning.
- 6) Insufficient budget allocation to financial sector development activities.

### Plans to improve Vote Performance

- 1) Conduct a comprehensive terminal review of the current Strategic Plan (2021/22 - 2024/25) to assess achievements, challenges, and lessons learned, providing valuable insights for future planning and decision-making.
- 2) Develop the next Strategic Plan (2025/26 - 2029/2030) with a focus on strategic objectives, targets, and key performance indicators, ensuring alignment with organizational goals and priorities. Prepare detailed implementation plans to facilitate smooth execution.
- 3) Expand supervisory efforts by implementing a wider range of proactive and targeted interventions to enhance oversight and regulatory compliance across the sector.
- 4) Advocate for and enforce high standards of trusteeship, governance, and administration within the Authority and among regulated entities, fostering transparency, accountability, and integrity.
- 5) Enhance strategic capabilities through staff training initiatives and stakeholder engagements focused on sector development priorities, equipping personnel with the knowledge and skills needed to address emerging challenges effectively.
- 6) Launch public awareness campaigns and educational programs to increase understanding of the Authority's mandate and functions, as well as the importance and benefits of retirement savings, fostering a culture of financial preparedness among citizens.
- 7) Lead consultations and stakeholder engagements on the establishment of a national long-term scheme tailored to meet the needs of informal sector workers, promoting inclusivity and social protection for all segments of the population.
- 8) Invest in upgrading IT infrastructure, including the enhancement of internal systems to support the electronic Risk-Based Supervision System, streamlining processes and improving data management capabilities for enhanced regulatory effectiveness and efficiency.

## VII. Off Budget Support and NTR Projections

### Table 7.1: Off Budget Support by Project and Department

N/A

**VOTE: 163 Uganda Retirement Benefits Regulatory Authority****Table 7.2: NTR Projections(Uganda Shillings Billions)**

<b>Revenue Code</b>	<b>Revenue Name</b>	<b>FY2023/24</b>	<b>Projection FY2024/25</b>
114526	Other licenses	0.119	0.120
<b>Total</b>		<b>0.119</b>	<b>0.120</b>

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## VIII. VOTE CROSS CUTTING POLICY AND OTHER BUDGETARY ISSUES

Table 8.1: Cross- Cutting Policy Issues

### i) Gender and Equity

<b>OBJECTIVE</b>	Increase coverage of women in the Retirement Benefits Sector
<b>Issue of Concern</b>	Low coverage of women in the retirement benefits sector, largely attributable to low coverage of the informal and self-employed workers who are mainly women.
<b>Planned Interventions</b>	Conduct an inclusive sensitization on the importance and avenues to save for retirement.
<b>Budget Allocation (Billion)</b>	0.003
<b>Performance Indicators</b>	No. of women sensitized on the importance and avenues to save for retirement. (Target of 100)

### ii) HIV/AIDS

<b>OBJECTIVE</b>	Mitigate the spread, stigmatization, and other negative effects of HIV/AIDS amongst URBRA staff.
<b>Issue of Concern</b>	HIV/AIDS negative effects could hinder the Authority's effective and efficient service delivery
<b>Planned Interventions</b>	Maintain an inventory and distribute condoms to URBRA staff. Maintain counselling services for URBRA staff. Conduct sensitization of URBRA staff on HIV/AIDS.
<b>Budget Allocation (Billion)</b>	0.007
<b>Performance Indicators</b>	No. condoms packets distributed. (Target of 300) A designated counsellor. (Target of 1) No. of URBRA staff sensitization sessions on HIV/AIDS held. (Target of 4)

### iii) Environment

<b>OBJECTIVE</b>	Integrate Environment, Social and Governance (ESG) factors in the sector investments and risk-management process
<b>Issue of Concern</b>	Lack of clarity of how to integrate Environmental, Social and Governance (ESG) factors in the sector investments and risk-management process.
<b>Planned Interventions</b>	Develop guidelines on ESG Adoption in the Retirement Benefits Sector in Uganda Conduct a Trustee training (targeting 100 participants) on sector developments and Evaluation of ESG factors.
<b>Budget Allocation (Billion)</b>	0.018
<b>Performance Indicators</b>	Guidelines on ESG Adoption in the Retirement Benefits Sector in Uganda developed No. of trustees, service providers and staff trained on ESG Factors. (Target of 200)

### iv) Covid

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N / A

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**IX. PERSONNEL INFORMATION****Table 9.1: Staff Establishment Analysis**

Title	Salary Scale	Number of Approved Positions	Number of filled Positions
ICT OFFICER	URBRA 5	2	1
MANAGER PROCUREMENT & INVENTORY MANAGEMENT	URBRA 3	1	0
MANAGER RISK AND INVESTMENT ANALYSIS	URBRA 3	1	0
SENIOR INVESTMENT ANALYST	URBRA 4	1	0
SENIOR RISK ANALYST	URBRA 4	1	0
SUPERVISION OFFICER (PRUDENTIAL)	URBRA 5	4	2

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**Table 9.2: Staff Recruitment Plan**

Post Title	Salary Scale	No. Of Approved Posts	No. Of Filled Posts	No. Of Vacant Posts	No. Of Posts Cleared for Filling FY2024/25	Gross Salary Per Month (UGX)	Total Annual Salary (UGX)
ICT OFFICER	URBRA 5	2	1	1	1	7,955,706	95,468,472
MANAGER PROCUREMENT & INVENTORY MANAGEMENT	URBRA 3	1	0	1	1	14,722,972	176,675,664
MANAGER RISK AND INVESTMENT ANALYSIS	URBRA 3	1	0	1	1	14,722,972	176,675,664
SENIOR INVESTMENT ANALYST	URBRA 4	1	0	1	1	11,392,355	136,708,260
SENIOR RISK ANALYST	URBRA 4	1	0	1	1	11,392,355	136,708,260
SUPERVISION OFFICER (PRUDENTIAL)	URBRA 5	4	2	2	1	7,955,706	95,468,472
<b>Total</b>					<b>6</b>	<b>68,142,066</b>	<b>817,704,792</b>