

ANNOUNCEMENT

How can you use part of your pension savings to improve housing, pay for medical treatment and / or for transfer to an investment portfolio manager?

According to the Law *On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on the Restoration of Economic Growth*, citizens have the right to use part of their pension savings to improve housing conditions and (or) pay for medical treatment that is not included in the guaranteed volume of free medical care and compulsory social medical insurance, as well as for transfer to investment management by private management companies.

The right to use a part of their pension savings in order to improve housing conditions in their favor or a spouse or close relatives, and (or) to pay for treatment for themselves or a spouse or close relatives, can be used by the following persons who have pension savings in the UAPF formed from compulsory pension contributions (CPC) and (or) compulsory occupational pension contributions (COPC):

1) the amount of pension savings of which exceeds the threshold of the minimum sufficiency of pension savings.

At the same time, a one-time pension payment cannot exceed the amount of the difference between the amount of CPC and (or) COPC pension savings of the contributor (beneficiary) and the threshold for the minimum sufficiency of pension savings, calculated according to the Methodology for determining the threshold for the minimum sufficiency of pension savings approved by the Government of the Republic of Kazakhstan, as of receiving an electronic notification from an authorized operator;

2) in which the size of the pension ensures the replacement ratio of the beneficiary's average monthly income at a level of at least 40 percent, determined in the manner determined by the Government of the Republic of Kazakhstan.

At the same time, a one-time pension payment cannot exceed 50 percent of the amount of pension savings at the expense of CPC and (or) COPC of the contributor (beneficiary) as of the date of receipt of the primary electronic notification from the authorized operator;

3) those who have entered into a pension annuity agreement with an insurance organization;

At the same time, a one-time pension payment cannot exceed the amount of pension savings due to CPC and (or) COPC in the individual pension accounts of the contributor (beneficiary).

To exercise the right to use a part of pension savings, citizens, first of all, will have to check their pension savings and make sure that the amount available for withdrawal is available on their individual pension account with the UAPF.

On the Fund's corporate website enpf.kz in the Personal Account, as well as in the updated ENPF mobile application, Telegram, the ability to check online information about the amount available for withdrawal is implemented.

In the Personal Account on the corporate website of the Fund and in the mobile application, two authorization methods are available: enter the IIN and password or use your electronic digital signature. Also, the next time you log into the mobile application, you can use Touch ID or Face ID, if available on your mobile device. For convenience, the user can choose the language of service: Kazakh or Russian.

Those contributors (beneficiaries) who, after checking their pension savings with the UAPF, have decided to use part of their pension savings in order to improve their living conditions and (or) pay for treatment, will have to contact the authorized operator through the Internet portal of the authorized

operator to open a special account and filing an application for a one-time pension payment (hereinafter referred to as an application for payment) using an electronic digital signature (EDS).

At the same time, when submitting an application for payment to an authorized operator, the contributor (beneficiary) must choose the method of paying the individual income tax (IIT) for a one-time pension payment (recall that when transferring contributions to the UAPF, the IIT is not charged), indicating the selected method in the application for withholding the IIT, which is also signed with an EDS.

That is, citizens themselves indicate the UAPF at what point to withhold the IIT from the amount of the lump-sum pension payment: immediately in full at the time of payment, or to withhold the IIT in a deferred period (monthly in equal shares upon reaching retirement age according to the pension payment schedule).

The authorized operator will send an electronic notification to the UAPF within 2 (two) business days, which will contain information about the accepted application for payment, including data on the purpose of the withdrawal, name, birth date, IIN, on the amount of a one-time pension payment in the amount determined by the contributor (beneficiary), on the methods of withholding the IIT, with attachment to the electronic notification of an application for withholding the IIT, also signed by the electronic digital signature of the contributor (beneficiary).

After receiving an electronic notification from an authorized operator, the UAPF transfers the amount of a lump-sum pension payment of the contributor (beneficiary) to the authorized operator within 5 working days, which in turn will credit it to the special account of the contributor (beneficiary).

The amount of a one-time pension payment can be kept on a special account of a contributor (beneficiary) opened with an authorized operator (Otbasy Bank JSC) for no more than 45 working days.

During this period, the contributor (beneficiary) must provide the authorized operator with the documents for the intended purpose, or if they are not provided within the specified time frame, the amount of the lump-sum pension payment must be returned by the authorized operator to the UAPF, which will credit them to the individual pension account of the contributor (beneficiary).

Thus, all applications from citizens on improving housing conditions and (or) payment for medical treatment will be received and considered by an authorized operator on the principle of "one window" and a separate appeal to the UAPF from citizens will not be required, except for their independent online receipt of information in the UAPF the amount of pension savings available for withdrawal.

In addition to the withdrawal of pension savings in order to improve housing conditions and (or) pay for medical treatment, from 2021, citizens will also be able to take part in the management of their CPC and / or COPC pension savings through the independent selection of investment portfolio managers (IPMs) offering different strategy. To transfer part of the pension savings to the UIP, the contributor must submit an application in the form established by the internal document of the UAPF by personally contacting the regional offices of the UAPF or remotely via the UAPF Internet resource using an electronic digital signature.

Please note that the right to use part of your pension savings for transfer to the IPM can only be used after the appearance on the financial market of Kazakhstan of the IPM determined by the Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market, with which the UAPF will conclude agreements on trust management of pension assets, and also custodial agreements.

UAPF was established on August 22, 2013 on the basis of GNPf APF JSC. The UAPF founder and shareholder 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. UAPF pension assets are managed by the National Bank of the Republic

of Kazakhstan. From January 1, 2016, the functions for developing proposals to improve the management of pension assets were transferred to the National Fund Management Council. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, pension benefits, individual accounting of pension accumulations and benefits, provides the contributor (beneficiary) with information on the status of his pension accumulations (for more information visit www.enpf.kz)