

## ANNOUNCEMENT

### **Transfers of pension savings to IPM according to the 2021 thresholds are only possible until April 1, 2022**

UAPF contributors have the right to use part of their pension savings not only to improve housing conditions and (or) pay for medical treatment, but also to transfer investment portfolio management companies (IPM) to investment management.

The pension savings of the contributor can be transferred to the management of the IPM:

- **in an amount not exceeding the difference between the actual amount of the contributor's pension savings in the UAPF and the threshold for the minimum sufficiency of pension savings;**
- **in an amount not exceeding the balance of pension savings on the account of the contributor in the UAPF, if there is a pension annuity agreement concluded with an insurance company that provides for life-long payments.**

We remind you that from April 1 of this year, the thresholds for the minimum adequacy of pension savings (TMA) calculated for 2022 come into force. Earlier, in pursuance of the instructions of the President K-Zh. Tokayev, by Decree of the Government of the Republic of Kazakhstan dated December 13, 2021 No. 875, the validity period of the TMA, calculated for 2021, was extended until April 1, 2022.

Thus, since the TMA for 2022 comes into effect on April 1, 2022, **it is possible** to transfer pension savings according to the TMA values calculated for 2021, according to applications, **until March 31, 2022**, inclusive. Information on the values of TMA is available on the UAPF website at the link <https://www.enpf.kz/ru/services/withdrawal/withdrawal-check.php>

To transfer pension savings to one or more IPMs, the contributor must apply to the UAPF with an application. An application can be submitted through a personal account on the [enpf.kz](http://enpf.kz) website or by personal contact at any regional branch of the UAPF.

UAPF transfers pension savings to IPM trust management within thirty calendar days after the date of receipt of the application from the contributor. The rest of the contributor's pension savings will continue to be managed by the National Bank.

Pension savings transferred to IPM's investment management do not qualify as withdrawals of lump-sum pension benefits (as in the case of withdrawals for improvement of housing and/or medical treatment) and will not be subject to personal income tax at the time they are transferred to IPM.

After the initial transfer of pension assets to IPM trust management, the contributor has the right:

- **no more than once a year to submit an application to the UAPF for the transfer of their pension savings to trust management from one IPM to another IPM;**
- **submit to the UAPF an application for the return of pension savings held in IPM's trust management to the National Bank's trust management (not earlier than two years after the initial transfer of pension savings to IPM's trust management).**

Including 10 calendar days before the contributor reaches the retirement age, the contributor's pension savings are returned under the investment management of the National Bank.

Recall that after receiving pension assets from UAPF, IPM invests them in permitted financial instruments specified in *the Rules for the implementation of investment portfolio management activities*, approved by the Resolution of the Board of the National Bank of the Republic of Kazakhstan dated February 3, 2014 No. 10, and provided for in the IPM Investment Declaration

Under the Law on Pension Provision, IPMs are entitled to charge an investment management fee. The maximum amount of IPM remuneration cannot exceed 7.5% of the received investment income. The actual amount of the commission is annually approved by the IPM management body and can change no more than once a year.

During the period when pension savings are under the management of the National Bank until the depositor reaches retirement age, there is a guarantee of the safety of pension savings, taking into account the level of inflation. When transferring pension savings to the management of IPM, the state guarantee is replaced by the guarantee of the management company to ensure the minimum level of return on pension assets, which is calculated based on the weighted average return on pension assets transferred to the management of IPM operating on the market.

*The 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](http://www.enpf.kz))*