

Actual questions on UAPF

1. Will those minors who will turn 18 in 2024 be included in the National Fund for Children Program and what amount will they receive?

All children who are citizens of the Republic of Kazakhstan are included in the Program (as of the end of December 31, 2023) and are its participants. Children who will turn 18 during 2024 will receive their accrued target requirements for 2023 (the year in which the child has not yet reached 18 years of age) in the form of target savings to their target savings accounts opened with the UAPF.

The amount of target requirements per child for 2023 will be calculated based on data on the number of children - citizens of Kazakhstan (as of the end of December 31, 2023) and information from the National Bank on the total amount of target requirements for children accrued from the National Fund.

2. In what currency will the target requirements be transferred?

Targeted savings of children reaching 18 years of age are transferred from the National Fund to the UAPF in US dollars and are stored in the UAPF also in US dollars. When an adult Program participant decides to use their money, they submit an application to the authorized operator, and the UAPF will transfer his savings to his bank account opened with the authorized operator, also in US dollars. Further, when the authorized operator transfers savings for housing and education, the money is converted from US dollars into tenge at the rate that will be relevant at the time of transfer.

3. Can a child use money not immediately at 18 years old, but later at 20 or 25 years old?

When a child turns 18, a target savings account in the UAPF is automatically opened in his name and the funds allocated to him from the National Fund are transferred to it. The money is transferred in US dollars and is kept in the target account for 10 years. If during this period he does not use these funds, they will automatically be transferred to his individual voluntary pension account in the UAPF, which will automatically open in his name. Receipt of savings from this pension savings account, which accounts for voluntary pension contributions, will be carried out in accordance with the legislation of the Republic of Kazakhstan.

4. Is it possible to use target savings by a child before he reaches 18 years of age?

No, this possibility is not provided for by current legislation. The target money accrued to the child will be included in the foreign currency assets of the National Fund and will continue to be invested by the National Bank until the child reaches 18 years of age, providing the child with additional investment income.

5. What will happen to the target savings if the child changes citizenship and moves to another country? If a child was born in another country, but received Kazakhstani citizenship, he has the right to funds from the National Fund?

Children who are no longer citizens of Kazakhstan lose their right to use funds from the National Fund.

If a child born in 2006 and later receives citizenship of the Republic of Kazakhstan before reaching 18 years of age, then he/she automatically becomes a participant in the Program and is entitled to funds from the National Fund. At the same time, target claims from the National Fund will be accrued to him from the date he received Kazakhstani citizenship, and not from the date of his birth.

6. What happens to savings in the event of the death of a child?

In the event of the death of a child, all previously accrued target requirements (target savings) are inherited in accordance with the Civil Code of the Republic of Kazakhstan. At the same time, the heirs - recipients of the child's savings - will be able to use the money for any purpose, that is, the mandatory requirement for their intended use is canceled.

7. What happens if investment income for a certain year is negative?

The assets of the National Fund are invested on a long-term basis and investment results depend on the situation in the financial markets, which are influenced by various market factors. Therefore, in order to level out possible decreases in investment returns on the foreign currency portion of the National Fund's assets for certain periods, it is averaged over the eighteen years preceding the reporting year.

8. Are there any calculations of what amounts will be accrued to children annually and what amount will be received as a result, for example, a child born in 2024 after 18 years?

Every year, the calculation of 50% of the investment income of the foreign currency portion of the assets of the National Fund, accrued to children under the National Fund for Children program, will be carried out by the National Bank of the Republic of Kazakhstan (hereinafter - the NB RK). At the same time, investment income received from investing the foreign currency portion of the National Fund's assets is averaged over the eighteen years preceding the reporting year. In addition, amounts accrued to children in previous years will continue to be invested in US dollars as part of the National Fund's assets. As a result, investment income will be additionally accrued to them. Thus, annual amounts for children will be determined based on the results of the National Fund's investment activities.

The UAPF, based on the total amount of investment income (determined annually by the National Bank of the Republic of Kazakhstan for accrual to children's accounts) and the number of all children - citizens of Kazakhstan, will calculate the amount of target requirements per child - participant in the program for each reporting year.

Taking into account the above, it is impossible to calculate in advance what the amount of target savings will be for each child in the future, when he reaches 18 years of age. It will be determined by the volume of accumulated assets of the National Fund, the results of its historical investment returns and the number of children participating in the Program.