

ANNOUNCEMENT

The 22nd meeting of the Public Council under the UAPF was held

At the 22nd meeting of the Public Council under the UAPF, three issues were considered:

- 1) Preliminary results of the activities of UAPF JSC for 2022.**
- 2) Work of the UAPF with the pension assets of distressed issuers.**
- 3) Compulsory pension contributions within the framework of the Single Aggregate Payment.**

Saule Yegeubayeva, Deputy Chairman of the Executive Board of UAPF JSC, spoke on the first issue.

The speaker presented a report on the results of the activities of the UAPF for 2022, noting that as of January 1, 2023, the pension savings of Kazakhstanis amounted to KZT14.7 trillion. This is almost KZT1.6 trillion (or 12.2%) more than in 2021, when the increase in pension savings was only 1%. Thus, the growth rates of the assets of the accumulative pension system are systematically returning to the indicators before significant withdrawals of pension savings for alternative purposes, when the growth of assets annually ranged from 15 to 20%.

Growth in savings in 2022 was driven by incoming flows in the form of pension contributions and investment income. At the same time, more than KZT1.7 trillion was received in the form of contributions to the accounts of contributors in 2022, which is 29% more than in 2021.

In 2022, growth occurred in all types of contributions: individual pension saving accounts (IPSA) for accounting for CPC received KZT1.65 trillion (compared to the same period last year, the amount of CPC increased by 28%), COPC - KZT77 billion (an increase of 39%), VPC showed the largest increase and amounted to more than KZT2.3 billion (an increase of 190%).

Investment income for 2022 exceeded KZT914 billion, that is, the return on assets at the end of the past year was positive.

Outgoing flows in the form of payments from the UAPF since the beginning of the year amounted to about KZT1.2 trillion, where the bulk of the amount was still lump-sum pension benefits (LSPB) for improving housing conditions and medical treatment - KZT918 billion. At the same time, the volume of payments for alternative purposes decreased by 65% compared to 2021.

More information is available on the UAPF website.

The speaker on the second issue, Director of the Legal Department of UAPF JSC Nazym Baktybayev, presented a report on the work of the UAPF with pension assets of distressed issuers.

Based on the results of the work carried out to collect bad debts for the period from the moment of consolidation of pension assets from non-state pension funds into the UAPF, the total amount of repaid debt on pension assets as of March 31, 2023 amounted to KZT32.38 billion, of which only in the 1st quarter of 2023. KZT4,152.2 million was returned.

The speaker noted that UAPF lawyers continue to work on the return of debts of troubled issuers within the framework of initiated enforcement proceedings, as well as rehabilitation, bankruptcy and liquidation procedures. In addition, due to the presence of circumstances indicating the facts of illegal actions of officials of these companies, representatives of the UAPF are interacting with law enforcement agencies. To date, a pre-trial investigation is being carried out into the circumstances of causing damage to pension assets of citizens in relation to officials of 8 problematic issuers. Detailed information about working with distressed assets is available on the website.

On the third issue, the Head of the Strategy and Analysis of the Strategic Development Department of UAPF JSC Aizhan Temirlan spoke about the mechanism for paying mandatory pension contributions under the Single Aggregate Payment (SAP). SAP payers participate in the system of compulsory social and medical insurance and in the compulsory accumulative pension system. At the same time, the periods

for which the SAP is paid are included in the length of service taken into account when calculating the amount of the state basic pension.

A. Temirlan recalled that the operation of the SAP as a tax regime for self-employed citizens was provided for by the Tax Code only for a 5-year period - from 2019 to 2023. At the same time, the speaker explained to the members of the Council that the Single Aggregative Payment (SAP) introduced from January 1, 2023 as a voluntary alternative to the standard method of calculating a number of tax payments made by the employer is not a replacement for the SAP, which means that, starting from 2024, a certain part of the self-employed citizens may lose access to pensions and social protection systems.

At the end of the meeting, the members of the Council discussed the organizational issues and topics for the next meetings of the Council.

All materials of the meeting are presented on the website enpf.kz in the section "Public Council" - "[Minutes of meetings, presentations](#)".

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)