

## ANNOUNCEMENT

### **Changes to the taxation of pension benefits in 2026 and issues of compulsory pension contributions for the self-employed under the new Tax Code were discussed at a meeting of the UAPF Public Council.**

On December 19, the 32<sup>nd</sup> meeting of the Public Council (PC) of UAPF JSC was held. At the beginning of the event, members of the PC reviewed Bakhyt Mazhenova's application to join the Council. It was noted that the candidate has extensive experience working in various financial companies, is an independent director at large financial institutions, and is well-versed in the pension system of the Republic of Kazakhstan. Following the discussion, the decision to include B. Mazhenova as a member of the Public Council was adopted unanimously.

According to the agenda of the event, Aliya Tuseyeva, Deputy Director of the Pension Asset Accounting and Reporting Department of UAPF JSC, presented information on changes to the taxation of pension benefits under the new Tax Code, effective January 1, 2026. A representative of the Fund recalled that the current tax code, which runs until December 31, 2025, Amendments have been made to the Tax Code affecting the interests of beneficiaries and contributors of the Unified Accumulative Pension Fund (UAPF) who fall into socially vulnerable categories and have already used lump-sum pension benefit payments (LSPBP) to improve housing conditions and/or pay for medical treatment. Specifically, they are entitled to apply standard tax deductions to the taxable income in the form of lump-sum pension benefit payments. This means that beneficiaries in this category who have withdrawn their LSPBP can submit a corresponding application and supporting documents to the UAPF for recalculation and refund of their individual income tax (ИТ). Moreover, for those who withdrew their LSPBP in 2021-2022 and for various reasons failed to do so, according to the adopted amendments and additions to the Tax Code of the Republic of Kazakhstan, the statute of limitations has been increased from 3 to 5 years, i.e., until December 31, 2025.

The speaker further noted that, starting January 1, 2026, pension benefits from the Unified Accumulative Pension Fund (UAPF), including the LSPBP will be exempt from taxation for residents of the Republic of Kazakhstan, and personal income tax will not be withheld.

PC members were also informed that, starting January 1, 2026, in connection with the entry into force of the new Tax Code of the Republic of Kazakhstan and amendments to the Social Code of the Republic of Kazakhstan, updated special tax regimes (STRs) will be introduced: STRs for the self-employed, STRs based on a simplified declaration, and STRs for peasant or farming households (PFHs). These regimes regulate not only the payment of taxes by self-employed citizens but also compulsory types of pension contributions. It was noted that these innovations are expected to increase coverage of the social and funded pension system, have a positive impact on the formation of pension savings and the recording of citizens' work experience, and create incentives for people to come out of the shadows.

At the end of the meeting, the prospects for the development of the pension system and the impact of pension savings withdrawals were discussed. Council members expressed the opinion that early use of pension savings will negatively impact future pension benefits. Addressing current issues undermines the strategic purpose of pension savings—ensuring life after retirement—and, according to PC members, could lead to increased social tensions. At a future meeting, it was proposed to conduct a detailed analysis of statistics on the alternative use of pension savings and how this has affected the total amount of pension assets (taking into account lost investment income), as well as the savings of individual contributors.

During the discussion, the status of the expert proposals previously submitted to the Council was raised. Specifically, it was noted that measures are already being taken to improve the efficiency of pension asset investment management: the National Bank of the Republic of Kazakhstan and the Agency for Regulation and Development of the Financial Market are reviewing approaches and expanding investment instruments. Proposals to improve the state and notional defined contribution components of pension provision and expand coverage of the funded pension system to the population, including the self-employed, are still under discussion.

More detailed materials from the meeting of the Public Council of UAPF JSC are available on the [enpf.kz](http://enpf.kz) website in the "Public Council" section - Meeting Minutes and [Presentations](#).