

ANNOUNCEMENT

Now all individual pension saving accounts in the UAPF are opened automatically

On October 12, 2021, the President of the Republic of Kazakhstan signed the Law of the Republic of Kazakhstan *On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Social Protection of Certain Categories of Citizens* (hereinafter - the Law), within the framework of which appropriate changes were made, including to the Law of the Republic Kazakhstan *On Pension Provision in the Republic of Kazakhstan*.

According to these changes, starting from October 26, 2021, individual pension saving **accounts (IPSA) for accounting for compulsory occupational pension contributions (COPC) in the UAPF will be opened automatically upon receipt of the first installment.**

The information systems of the UAPF are prepared for a new procedure for opening the IPSA for accounting for COPC, similar to the opening of the IPSA in the UAPF for other types of pension contributions.

Let us remind that the non-declarative procedure for opening the IPSS is valid:

- from January 8, 2019 in relation to compulsory pension contributions;
- from May 1, 2021 in relation to voluntary pension contributions.

The identification of an individual, in whose favor the COPC is transferred, will be carried out according to his personal data (full name, IIN, date of birth) specified in the electronic format of the payment order when transferring the COPC, and all the necessary information: about the details of a valid identity document of an individual, about the place of permanent residence, the UAPF will receive other information from the relevant information systems of state bodies.

The agent (payer) of the COPC is the employer, who is obliged to deduct contributions from his own funds in favor of the employee in the amount of 5 percent of their monthly income accepted for calculating pension contributions in the manner determined by the Government of the Republic of Kazakhstan.

Let us remind you that those citizens who work in hazardous and dangerous spheres of activity have the right to pension savings at the expense of COPC. The list of such professions was approved by the Decree of the Government of the Republic of Kazakhstan *On approval of the List of industries, works, professions of workers, in favor of which contributors of compulsory occupational pension contributions at their own expense make compulsory occupational pension contributions* dated December 31, 2013 No. 1562.

Legislative changes on the automatic opening of the IPSA for accounting for COPC will significantly facilitate the fulfillment of obligations for the transfer of COPC for agents: there is no need, together with the employee, to draw up an application for opening the IPSA for accounting of COPC with the provision of a certain list of documents containing more than 10 titles to the UAPF.

For reference: Compulsory occupational pension contributions are paid in the national currency of the Republic of Kazakhstan - no later than the 25th day of the month following the month of income payment. Business entities applying a special tax regime - in the manner and terms provided for by the tax legislation of the Republic of Kazakhstan.

The tax authorities control the transfer of COPC. If the employer does not timely transfer the COPC to the employee's IPSA (subject to the actual payment and receipt of the income by the employee), the tax authorities shall collect the COPC from the employer and are subject to transfer to the UAPF from the

accrued penalty interest in the amount of 2.5 times the official refinancing rate established by the authorized body, for every day of delay.

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)