

What changed in 2026?

Topical Questions about the UAPF

1) How have pension benefit payments from the UAPF changed in 2026?

The amount of pension benefits from the UAPF to pensioners who retired early, before 2026, increased by 5% effective January 1.

As a reminder, benefits from the UAPF are paid in accordance with the *Methodology for Calculating Pension Benefits*, approved by the Decree of the Government of the Republic of Kazakhstan dated June 30, 2023. According to this method, payments to citizens retiring are calculated as follows: in the first year of receiving benefits, the amount of pension savings is multiplied by the pension savings payment rate of 6.5% and divided by 12. In subsequent years, the monthly pension benefit is increased by the pension payment indexation rate of 5%. Moreover, the monthly pension benefit from the UAPF is made in an amount of at least 70% of the subsistence minimum (hereinafter referred to as the SM), established for the corresponding financial year by the law on the republican budget (in 2025, the SM is 50,851 tenge).

For beneficiaries of certain categories: individuals with permanent disability groups 1 or 2, as well as those who worked in hazardous and dangerous industries, whose savings were formed through compulsory occupational pension contributions for at least sixty months, the Methodology provides for adjustment factors that increase the monthly pension benefit amount. For individuals who meet more than one of the above conditions, the adjustment factor with the highest value is applied.

Pension benefits from the UAPF are paid until the pension savings in the individual pension savings account are depleted.

2) What is the employer's compulsory pension contribution rate in 2026?

Effective January 1, 2026, the employer's compulsory pension contribution rate (ECPC) increased to 3.5% of employee income (the ECPC rate increases annually in stages: 1.5% in 2024, 2.5% in 2025, 3.5% in 2026, 4.5% in 2027, and 5% in 2028).

As a reminder, effective January 1, 2024, Kazakhstan's funded pension system was supplemented with a new component: employer's compulsory pension contributions (ECPC). According to the adopted amendments, each employer is required to transfer to the UAPF, in addition to the compulsory 10% contribution of employee income, additional contributions from their own funds for the benefit of their employees born after January 1, 1975.

The amount from which the ECPC is calculated cannot be less than the minimum wage (MW) or exceed 50 times the MW established for the relevant year. Persons of retirement age, those with permanent disabilities of groups 1 and 2, military personnel, and persons born before January 1, 1975, are exempt from paying the ECPC.

3) What is a “special tax regime” (STR)?

Effective 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) were introduced in Kazakhstan: STRs for the self-employed, STRs based on a simplified tax return, and STRs for peasant or farm households (PFHs). These

regimes regulate not only the payment of taxes by self-employed citizens but also compulsory pension contributions.

4) *What is the purpose of the updated "special tax regimes" (STR)?*

The implementation of the STR for the self-employed, the STR based on a simplified tax return, and the STR for peasant farms aims to:

- expand coverage of the pension and social system through the active involvement of the self-employed and micro-businesses;
- simplify business operations for millions of Kazakhstani citizens;
- further digitalize tax administration through mobile apps and online platforms.

These innovations will enable the accumulation of pension savings, ensure social security for working citizens, and create incentives for them to come out of the shadow economy.

5) *What types of "special tax regimes" have been introduced?*

1. STR for self-employed individuals, including those operating using internet platforms

The STR for the self-employed, which will be implemented starting in 2026, is intended for individuals (Kazakhstan citizens, qandas) **who are not individual entrepreneurs (IEs) and do not employ employees**. The STR for the self-employed applies to a limited list of activities approved by the Government of the Republic of Kazakhstan.

The income limit for self-employed individuals applying the STR for a calendar month must not exceed 300 times the monthly calculation index (MCI) in effect as of January 1 of the relevant financial year (3,600 MCI per year).

Self-employed individuals applying this STR independently pay mandatory pension contributions (CPC) and employer mandatory pension contributions (ECPC) on their income.

The STR pension contribution rates for the self-employed are:

- CPC – 1% of income,
- ECPC – 1% of income.

Self-employed individuals will apply this STR using a dedicated mobile app, based on their receipts and other information on income received from other sources. Income recording in areas without a public telecommunications network under the STR for self-employed individuals is maintained using a simple form developed independently by the individual, indicating the date, transaction type, amounts received for each transaction, and the total amount for each day and month.

For self-employed individuals applying STR and **operating through internet platforms and/or mobile apps for platform employment**, the internet platform operator will withhold and transfer CPC and ECPC.

2. STR based on simplified declaration

Individual entrepreneurs and legal entities resident in the Republic of Kazakhstan may use the STR based on a simplified tax return, with the exception of taxpayers specified in paragraph 2 of Article 723 of the Tax Code of the Republic of Kazakhstan (legal entities in which the shareholding of other legal entities exceeds 25 percent, non-profit organizations, participants in special economic and industrial zones, etc.).

The following entities may use the STR based on a simplified tax return under certain conditions:

- whose maximum income for the calendar year does not exceed 600,000 times the minimum calculation index (MCI) in effect as of January 1 of the relevant financial year;

- those engaged in activities not included in the list established by the Government of the Republic of Kazakhstan for which the use of the STR based on a simplified tax return is prohibited.

The standard contribution rates for STRs based on the simplified declaration are:

- CPC - 10% of income,
- ECPC - 3.5% of income in 2026, increasing annually to 5% in 2028.

3. STR for peasant or farm households

Peasant farm enterprises (PFEs) may apply the STR for peasant farm enterprises (PFEs) if they own and/or use land plots in Kazakhstan (including secondary land use rights).

The selected STR for a PFE is not subject to change during the calendar year, except in cases where the PFE's activities no longer meet the conditions for its application.

The STR pension contribution rates for PFEs are:

- CPC - 10% of income,
- ECPC - 3.5% of income in 2026, with an annual increase to 5% in 2028.

Payment of CPC, ECPC under the STR for the self-employed, STR based on a simplified declaration, and STR for PFEs is due no later than the 25th day of the month following the month in which income is received.