

## ANNOUNCEMENT

### Your Choice: pension benefits from UAPF or insurance company

#### *What You Need to Know About a Retirement Annuity?*

Kazakhstanis who have pension savings (PS) in UAPF can choose the method of receiving a pension: according to the schedule from UAPF until the funds are exhausted, for life through an insurance company, or using a combination of the above options. To receive stable monthly benefit payments throughout life or a guaranteed period, a pension annuity agreement is drawn up with an insurance company.

#### **What is a pension annuity?**

**Pension annuity** - This is an agreement between a citizen and a life insurance company, under which the insurance company undertakes to pay a monthly pension for life or until a certain age.

Currently, the following types of pension annuities exist on the insurance market of Kazakhstan: an **immediate pension annuity**, under which payments begin immediately after the conclusion of the agreement, a **deferred pension annuity**, under which payments begin not immediately, but after a certain time specified in the agreement (this type of annuity allows you to increase the amount of future payments by investing funds during the deferment period), a **joint (spousal) pension annuity**, combining the pension income of two persons to receive lifetime payments (in the event of the death of one of the participants, the second continues to receive pension benefit payments).

#### **Conditions for concluding an annuity agreement:**

- **reaching the appropriate age.** The age at which a citizen can enter into an annuity agreement depends on the type of annuity and the presence of compulsory occupational pension contributions (COPC):

- Men can apply for an immediate pension annuity from the age of 55, women - from the age of 53 (from 2028, the female age will gradually increase and by 2031 it will reach 55 years). If there are COPCs paid for a period of at least 60 months, an immediate pension annuity can be purchased even earlier - from the age of 50 for both men and women (payments under the immediate annuity are made in all cases immediately after the conclusion of the contract).

- Deferred annuity is issued to contributors of compulsory pension contributions (CPC), regardless of gender, from the age of 45, and representatives of harmful and dangerous professions for whom COPCs have been paid for at least 60 months - from the age of 40. Payments under the deferred annuity in all cases will begin from the age of 55.

- **availability of a sufficient amount of PS**, ensuring an insurance payment in the amount of not less than 70% of the subsistence minimum (SM) established for the relevant financial year by the law on the republican budget. In 2025, to receive the minimum monthly payment of 32,360 tenge, which is 70% of the SM, at least 9.1 million tenge for men and 11.9 million tenge for women are required.

If the PS from CPC and/or COPC is not enough to issue an annuity, you can use savings from voluntary pension contributions (VPC). If savings are not enough even taking into account the amount of all types of contributions, you can issue a joint annuity with your spouse or close relatives (parents, children,

adoptive parents, adopted children, full and half siblings, grandparents, grandchildren) or supplement the amount from your own funds.

### **Key Features of a Retirement Annuity:**

1. it is possible to receive pension benefits before the official retirement age;
2. payments are made until the end of life/guaranteed period even if their amount exceeds the amount of savings transferred to the insurance company;
3. the pension amount is indexed annually by 7%;
4. the beneficiary, when purchasing a pension annuity, transfers ownership of the savings to the insurance company, that is, he will not be able to use them for alternative needs, in the event of his death, the savings will not be inherited by relatives (while pension savings in UAPF are inherited). At the same time, within the framework of the pension annuity agreement, it is possible to provide for a guaranteed period of pension payments, during which certain payments will be transferred first to the beneficiary, and in the event of his death - to the heirs.

### **Procedure for concluding an agreement. Restrictions on termination/modification of the agreement**

The pension annuity agreement is concluded in writing. The basis for concluding the pension annuity agreement is an application to the insurance company of the CPC contributor (contributors) and (or) an individual for whom the COPC is transferred, containing the data necessary for calculating the insurance premium and identifying the policyholder (insured). You can get more complete information on the list of required documents and methods of submission on the UAPF website in the section "[Services - Pension Annuity](#)".

For two years from the date of conclusion, the pension annuity agreement cannot be terminated or changed. After this period, despite the possibility of making changes to the agreement, it is not possible to return all funds to the account in UAPF: the insurance company must have an amount that ensures a lifetime monthly insurance payment of at least 70% of the PM in effect on the date of making changes.

Termination of the agreement after two years is possible only if a new annuity agreement is concluded with another insurance company. In this case, the funds are transferred to a new insurance organization.

You can calculate the amount sufficient for transfer to the insurance company, as well as compare the amounts of expected payments from the insurance company and from UAPF using the pension calculator posted on the [enpf.kz](http://enpf.kz) website in the section "[Online Services - Forecast Pension Calculator](#)".

Before entering into an agreement, it is important to carefully read its terms in order to make an informed and informed decision.

REFERENCE: As of 01.01.2025, during 2024, 62,592 contributors transferred pension savings from UAPF to insurance organizations in the amount of 394.54 billion tenge. For 6 months of the current year, as of 01.07.2025, 33,543 contributors sent 151.78 billion tenge from UAPF to insurance organizations.

*UAPF was founded on August 22, 2013 on the basis of GNPf APF JSC. The founder and shareholder of the UAPF is the Government of the Republic of Kazakhstan represented by the State Institution Committee of State Property and Privatization*

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*of the Ministry of Finance of the Republic of Kazakhstan. Trust management of UAPF pension assets is carried out by the National Bank of the Republic of Kazakhstan. In accordance with the pension legislation, the UAPF attracts compulsory pension contributions, employer's compulsory pension contributions, compulsory occupational pension contributions, voluntary pension contributions, as well as carries out enrollment and accounting of voluntary pension contributions formed at the expense of the unclaimed amount of guaranteed compensation for the guaranteed deposit, transferred by the organization carrying out mandatory guarantee of deposits, in accordance with the Law of the Republic of Kazakhstan "On mandatory guarantee of deposits placed in second-tier banks of the Republic of Kazakhstan", ensures the implementation of pension benefits. The Fund also carries out accounting of target assets and target requirements, accounting and crediting of target savings (TS) to target savings accounts, payments of TS to their recipients in bank accounts, accounting for returns of TS in the manner determined by the Government of the Republic of Kazakhstan within the framework of the National Fund for Children program (More details at [www.enpf.kz](http://www.enpf.kz))*