

ANNOUNCEMENT

From April 1, 2021, the methodology for calculating the monthly benefit from the UAPF will change

The size of the monthly pension benefit from the UAPF is determined as one twelfth of the annual amount of pension benefits, calculated in accordance with the provisions of the Decree of the Government of the Republic of Kazakhstan dated October 2, 2013 No. 1042 (Appendix 2 Methodology for calculating the amount of pension benefits). At the same time, the monthly pension payment from the UAPF is carried out in the amount of **at least 70% of the minimal subsistence level**. (Previously, the monthly pension payment from the UAPF was carried out in the amount of **at least 54% of the minimal subsistence level**).

In accordance with the Methodology for calculating the amount of pension benefits from **April 1, 2021**, the annual amount of pension benefits in the first year of paying pension benefits will be calculated as the product of the amount of pension savings by the rate of benefits of pension savings - 6.5%.

In subsequent years, the size of the monthly pension benefit will be recalculated by **annually increasing** the size of the monthly pension benefit for the previous year by the rate of indexation of pension benefits - 5%.

Let's give an example:

The amount of pension savings (PS) = KZT 6,000,000

*Annual amount of pension benefits for the first year: $6,000,000 * 6,5\% = KZT 390,000$;*

Monthly pension benefit for the first year: $390,000 / 12 = KZT 32,500$;

*Monthly pension benefit for the second year: $32,500 + 32,500 * 5\% = KZT 34,125$.*

In addition, the Methodology for calculating the size of pension benefits provides for **adjustment increasing coefficients** for beneficiaries of certain categories: people with disabilities of groups I or II, established indefinitely, as well as people who worked in hazardous industries, whose savings are formed from compulsory occupational pension contributions aggregate of at least sixty months. In this case, for persons who satisfy more than one of the above conditions, the correction factor with the highest value is applied.

It should be noted that the specified method of calculating the amount of pension benefits applies to relations that have arisen **since April 1, 2021**.

For persons who have exercised their right to receive pension benefits from the UAPF **before January 1, 2018**, the annual pension benefit is at least thirty times the minimum pension (in 2021, $30 \times 43,272 = KZT 1,298,160$). Payments are made according to the previously selected schedule.

To persons who have exercised their right to receive pension benefits from the UAPF from **January 1, 2018 to March 31, 2021 (inclusive)**, according to the new Methodology for calculating the amount of pension benefits, from January 1, 2022, monthly pension payments will be increased by the rate of indexation of pension benefits in the amount of 5%, with subsequent annual indexation.

Thus, the new Methodology for calculating the size of pension benefits takes into account the specifics of working conditions and health of recipients, and will also contribute to an **increase in the annual amount of benefits from the UAPF**.

Recall that pension benefits from the UAPF are paid out until **the exhaustion** of pension savings in the individual pension saving account.

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)