

## ANNOUNCEMENT

### **Taxation of a lump sum benefit payment for burial from the UAPF**

UAPF JSC (hereinafter - UAPF) informs about the procedure for taxation of a lump-sum benefit payment for burial, made from the pension savings of a deceased person.

In accordance with paragraph 3 of Article 242 of the *Social Code of the Republic of Kazakhstan* dated April 20, 2023 No. 224-VII ZRK, in the event of the death of a person who has pension savings in the UAPF, his family members of the UAPF are made a lump-sum benefit payment for burial at the expense of the pension savings of the deceased person within an amount in the amount of 94 times the monthly calculation index (MCI) established for the corresponding financial year by the law on the republican budget, but not more than the funds of the deceased person available on the individual pension account. This lump sum payment is not subject to personal income tax.

If, after making a lump-sum benefit payment for burial, the balance of pension savings on the individual pension saving account of the deceased person amounts to an amount not exceeding the minimum pension established for the corresponding financial year by the law on the republican budget, this balance is also paid to the family members of the deceased along with a lump-sum benefit payment for burial.

At the same time, since, according to subparagraph 18) of paragraph 1 of Article 341 of the Code of the Republic of Kazakhstan *On taxes and other obligatory payments to the budget*, benefit payments for burial within the amount of 94 times the MCI are excluded from the income of an individual subject to taxation within the amount of 94 times the MCI, the amount of the balance of pension savings on the individual pension saving account of the deceased person, upon payment, it is subject to taxation at the standard rate of 10 percent of individual income tax.

*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](http://www.enpf.kz))*