

ФТТЩГТСУБЬУТЕ

UAPF presented its annual actuarial report for 2024

Kazakhstan is entering an era of demographic aging, and by mid-century, it will be classified as a country with a very high level of demographic aging: with the country's population expected to grow to 26.5 million by the end of 2050, every sixth resident will be over 60 years old—the elderly will account for 18.8% of the total population.

At the same time, the number of UAPF pension recipients will increase almost fourfold between 2025 and 2050, from 520,000 to almost 2 million. These data are presented in the [Annual Actuarial Report for 2024](#) (hereinafter referred to as the Report), published by UAPF JSC (hereinafter referred to as the UAPF, or the Fund). It reflects the results of comprehensive actuarial calculations and forecasts related to the further development of Kazakhstan's pension system.

Demographic changes pose serious challenges to the pension system. Therefore, one of the state's most important tasks is to create a pension system that meets international standards and ensures adequate pension benefits. The system's effectiveness is assessed based on a number of indicators, analyzed and forecasted in the report. This annual actuarial report is an important source of data for government agencies, experts, and the general public.

Demographic trends

The first section of the Report describes demographic changes and their impact on the pension system. It presents the demographic situation as of early 2025 and long-term forecasts to 2050, using stochastic and deterministic models. General trends indicate that life expectancy is increasing and the birth rate is declining. According to forecasts, by 2050, the proportion of elderly citizens in the population will increase, while the working-age population will decline. These changes require an increased role for the funded component of the pension system.

Pension system of the Republic of Kazakhstan

The second section of the report describes Kazakhstan's existing multi-tier pension model, assesses it in international rankings, and analyzes optimal pension contribution rates for generating an adequate retirement income. It also presents the opinions of experts who pioneered the development of the financial market and the funded pension system in the country, and discusses ways to further improve the system.

Forecasting pension flows

The third section presents the results of pension flow modeling and forecasting, specifically covering the KazPRESTO integrated actuarial model and its forecast results, as well as modeling of demographics, the labor market, and pension benefits based on 10%

compulsory pension contributions. The forecast calculations demonstrate sustainable growth in pension flows in the funded system over the long term. At the same time, attention is focused on the need to monitor the early withdrawal policy, improve contribution regularity, increase population coverage, and enhance investment management efficiency, especially given low real returns.

The UAPF Annual Actuarial Report is a crucial document for a comprehensive assessment of the current state and long-term development prospects of the pension system in Kazakhstan. The findings serve as the basis for developing effective solutions aimed at improving the sustainability of the pension system and the adequacy of pension benefits.

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 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)