



CERTIFICATE OF FINANCIAL IMPLICATIONS

(Made under Section 76 of the Public Finance Management Act, 2015)

THIS IS TO CERTIFY that the **PUBLIC SERVICE PENSION FUND BILL, 2023** has been examined for financial implications as required under Section 76 of the Public Finance Management Act 2015 (as amended) and in accordance with Article 93 of the Constitution of the Republic of Uganda, as amended.

I wish to report as follows:

a) Object of the Bill

The purpose of the Bill is to:

- i. Establish the Public Service Pension Fund;
- ii. Provide for the establishment of the Public Service Pension Scheme
- iii. Provide for the collection of contributions and payment of retirement benefits; and
- iv. Regulate the investment and custody of pension assets.

b) The Expected Outputs

- i. A migration from a non-funded, non-contributory system to a funded and contributory pension system;
- ii. An affordable Pension scheme with respect to the financing capacity of the society and individuals;
- iii. A Pension Fund that guarantees fiscal sustainability in the long run;
- iv. Guaranteed retirements benefits for all public servants in the short, medium and long term;

- v. A robust and efficient public service pension system that provides for timely payment of retirement benefits.

c) The Impact of the Bill on the economy

The Establishment of the Contributory Pension Scheme will lead to increased national savings thus availability of cheaper long term financing mainly for Private Sector Investment which will result into economic growth.

Affordability and sustainability of the Pension obligation to Government in the long run because the scheme will be self-financed.

The Bill is therefore in line with National Development Objectives that emphasize improving service delivery for Public Sector Transformation.

d) Funding and budgetary implications

The Bill has a total budget implication of **Shs 19.736 Trillion**, of which **Shs 363.34billion** (projected) is required in the first year of implementation and **Shs.1.901billion** for pre-reform activities. This therefore calls for careful planning and budgeting before effective date of implementation is set.

e) Expected savings and/or revenue to Government

There are no expected revenues or savings in the short to medium term but a reduced Pension liability to the Government in the long term.

Submitted to Parliament under my hand this *9th*... day of *March*.. 2023.


Matia Kasajja (MP)
MINISTER OF FINANCE, PLANNING AND ECONOMIC DEVELOPMENT

Received by

Date