

MINORITY REPORT ON THE PUBLIC SERVICE PENSION FUND BILL 2023.

MOVED UNDER R.205, PARLIAMENTARY RULES OF PROCEDURE

May, 2023

1. INTRODUCTION

Cabinet under Minute No. 265(CT 2017) approved principles for reforming the Public Service Pension Scheme from the current unfunded and non-contributory scheme into a fully funded and contributory Defined Benefit (DB) pension scheme. The Ministry of Public Service together with the First Parliamentary Counsel drafted the Public Service Pension Fund Bill, 2020 which Cabinet approved on 13th July 2020.

The Bill was gazetted on 30th July 2020 under gazette No, 22 Vol. CXIII (113) No. 45 and had been submitted to Parliament for consideration and enactment into law, however, the MoFPED delayed to issue the Certificate of Financial Clearance, which led to the Bill being over taken by events. The Ministry, initiated a new process that led to the re-gazetting and publication of the Bill on 24th February 2023 under Gazette No. 12, Volume CXVI, dated 24th February, 2023 which has since been submitted to Parliament and introduced on the floor of Parliament.

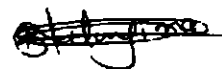
The reform of the Public Service Pension Scheme falls within the Mandate of the Ministry of Public Service in accordance with Clause 7 of the Public Service Act, 2008 and the Pensions Act, Cap 286. According to government, ***This reform was necessitated by the Governance, Fiscal sustainability and Accountability issues which have resulted into persistent budget shortfalls, accumulation of arrears, extortion from retirees, delayed payment of retirement benefits and creation of ghosts on the pension payroll.*** It is the expectation of Government that, reforming the scheme will promote efficiency and accountability.

Type of the Bill: Government Bill.

Sponsor of the Bill: Ministry of Public Service.

Date of Publication: 24th February, 2023.

Date of 1st reading: 14th March, 2023.



Principles of the Bill

This **Bill**, seeks to introduce a contributory pension scheme where the employee and the employer both remit a percentage towards the employer's pension. The current pension scheme is not contributory, in that, the Government pays 100% of the entire pension sums to the employer and is currently in high pension arrears. A contributory scheme shall ensure availability of funds and sustainability in the long run, which in the end ensures timely payment of retirement benefits.

Consequences of the Bill

- o Pensions Act repealed;
- o Pension for public servants shall be contributory;
- o Mid-term access after continuous service for twenty years (clause 36(1)b or after forty-five years (clause 36(1)c)

2. AREAS OF DISSENT

Pursuant to Rule 205 of the Rules of Procedure of the Parliament of Uganda which states that a member dissenting from the opinion of the majority of the committee may state in writing the reasons for his or her or their dissent and the statement of reasons shall be appended to the report of the Committee, Rule 205(2) provides that the Member dissenting from the opinion of the majority of the Committee shall be given time to present the Minority report at the time of Consideration of the Committee report.

We dissented with majority of the Committee on the principle that **seeks to introduce a contributory pension scheme where the employee and the employer both remit a percentage towards the employer's pension**. It is our considered view that pension payments should be a sole responsibility of the government most especially in situations where there is no existence of a



minimum wage or no wage enhancement. Guarantee of pension is not a privilege but rather a right guaranteed in Article 254 of the constitution that a public officer shall on retirement, receive such pension as is commensurate with his or her rank, salary and length of the service. Objective 14 of the national objectives and directives of the principles of state policy further directs the state to ensure that all Ugandans enjoy pension and retirement benefits.

Recommendations



We recommend that government should first track and enact the Minimum Wage bill before passing the Public Service Fund Bill, 2023 into law. The minimum Wage law will enable to reduce the inequality among workers by promoting a right to equal pay for labour of the same significance and protect workers against undue low pay purposely to ensure a just and equitable share of the fruits of their work to all.

CONCLUSION.

Rt. Hon Speaker and Honourable Members, We request you and the entire house to reject this bill in its current form but rather consider and support this minority report. I beg to submit.



5.1. MEMBERS OF THE PUBLIC SERVICE AND LOCAL GOVERNMENT WHO SIGNED THE MINORITY REPORT ON THE PUBLIC SERVICE PENSION FUND BILL, 2023.

SN	Name	Signature
1	Nambuaze Teddy	
2	Naluyima Betty Ethel	
3	ATKINS KATU SABI	