

BILLS SUPPLEMENT

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Bill No. 79

Public Service Pension Fund Bill

2024

THE PUBLIC SERVICE PENSION FUND BILL, 2024

MEMORANDUM

1. Object

The object of this Bill is to provide for the establishment of a Public Service Pension Fund and a Public Service Pension Scheme; to provide for the governance, functions, organisation and management of the Fund; to provide for the collection of contributions to the Fund and payment of retirement benefits to pensioners and their survivors; to provide for the investment of the monies of the Fund and for related matters.

2. Defects in the existing law

Currently the public service pension scheme under the Pensions Act, Cap. 89 has presented a number of challenges relating to its governance, accountability and sustainability owing to its non-contributory character and parametric weaknesses. As a result of the sustainability challenge, the current public service pension scheme suffers shortfalls in funding which ultimately translate into nonpayment, delayed payment and accumulated pension and gratuity arrears. The delayed or nonpayment of pension has led to frustration of pensioners and eroded the confidence of the pensionable employees and the pensioners in the current pension system.

Arrears have continued to accrue over the years and these are expected to triple if no reform is undertaken. There is, therefore, urgent need to reform the public service pension scheme in order to address the sustainability, affordability and governance challenges and ensure that pensioners are paid their retirement benefits in a timely manner. This will restore confidence in the social security of pensioners and pensionable employees, guarantee social security and fiscal growth.

3. Remedies

The Bill seeks to transform from a non-funded, non-contributory pension system to a funded and contributory pension scheme for public servants. The contributory nature of the scheme that this bill intends to establish is intended to ensure affordability, sustainability and good governance which shall provide for timely payment of retirement benefits.

4. Provisions of the Bill

The Bill consists of five parts and two schedules.

Part I—Preliminary

This Part deals with the commencement of the Act, interpretation of key words and phrases used within the context of the Bill, the application of the Act and objects of the Bill.

Part II—The Public Service Pension Fund

Part II of the Bill provides for the establishment of the Public Service Pension Fund, functions of the Fund (Clauses 5 and 6 of the Bill). It also provides for the sources of monies of the Fund and establishes the Board of trustees with an oversight function over the management of the Fund and the scheme, its other functions, procedures and office of the Chief Executive Officer and other staff of the Fund (Clauses 7 to 22 of the Bill).

Part III—Public Service Pension Scheme

This Part deals with all matters relating to the establishment of the Scheme. It empowers the Fund to establish and manage a public service pension scheme, provides for membership of the scheme, registration and cancellation of registration of members (Clauses 23 to 26 of the Bill). It also provides for mandatory contribution by employers, remittances of contributions to the fund, assignment of a unique social security number to every member, penalty for non-payment of contributions and the conduct of actuarial valuations (Clauses 27 to 32 of the Bill). Clauses 33 to 51 of the Bill provides for the qualifications and determination of the benefits. These clauses specifically provide for qualifying service, qualifying period for pension, pensionable service, payment of pension, short service gratuity, refund of contributions, application for pension or other benefits, pension formula for future benefits, indexation of pensions, commuted pension gratuity and reduced pension, reappointment of an employee into pensionable service, death gratuity, retirement on medical grounds arising from injury sustained on duty, computation of benefits in case of abolition of office and retirement bond, among others.

Part IV—Finances of The Fund

Part IV of the Bill deals with the finances of the Fund. It empowers the Board to open and operate bank accounts into which all monies of the Fund are to be paid. The accounts include a suspense account or unclaimed benefits account into which unclaimed benefits or unallocated contributions are to be paid, and a reserve account. It also requires the board to keep proper books of accounts and cause those books to be audited, provides for a requirement for an annual report, provides for the recovery of sums due to the Fund and provides for investment of assets of the Fund and compliance with the Public Finance Management Act (Clauses 52 to 59 of the Bill).

Part V—Miscellaneous Provisions

This Part deals with miscellaneous matters. It requires the board to keep records in respect of the scheme, it provides for exemption from income tax, and stamp duty, it empowers the board to issue guidelines for its due administration, it provides for offences and penalties, it empowers the Minister to make regulations and to amend the schedules, it provides for savings and repeal of Cap. 89, effect of the Pensions Act on the existing public service pension scheme and the preservation and payment of accrued pension rights (Clauses 61 to 71 of the Bill).



HON. WILSON MURULI MUKASA

Minister of Public Service

PUBLIC SERVICE PENSION FUND BILL, 2024

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THE PUBLIC SERVICE PENSION FUND BILL, 2024

An Act to provide for the establishment of a Public Service Pension Fund and Public Service Pension Scheme; to provide for the governance, functions, organisation and management of the Fund; to provide for the collection of contributions to the Fund and payment of retirement benefits; to provide for the investment of the monies of the Fund; and for related matters.

BE IT ENACTED by Parliament as follows—

PART I- PRELIMINARY

1. Commencement

This Act shall come into force on a date appointed by the Minister by statutory instrument.

2. Interpretation

In this Act, unless the context otherwise requires—

“actuary” means a person recognised as such by the Institute of Actuaries in England, the Faculty of Actuaries in Scotland, the Canadian Institute of Actuaries, the

Society of Actuaries of the United States of America, the Institute of the Actuaries of Australia or any other recognised actuarial body;

“actuarial valuation” means a study by an actuary to evaluate present and future liabilities in order to determine the financial solvency of a pension Scheme and the appropriate contribution rate to ensure the long-term financial sustainability of the pension Scheme in accordance with generally accepted actuarial principles;

“accrual rate” means the rate at which pension benefits build up as a member completes service in a defined benefits Scheme;

“accrued benefit” means the amount of accumulated pension benefits of a pensionable employee on the basis of years of service;

“annuity” means a form of financial contract that guarantees a fixed or variable payment of income or benefit for the life of a person or for a specified period of time;

“armed forces” means the Uganda Peoples Defence Forces established under article 208 of the Constitution;

“beneficiary” means an individual who is entitled to a benefit from a pension Scheme, including a dependant or a survivor;

“Board” means the Board of trustees of the Fund established under section 8 of this Act;

“commuted pension gratuity” means a lumpsum payable in respect of service in a pensionable office other than gratuity awarded in respect of service on contract or the benefits payable under a provident fund Scheme,

“contribution” means an amount expressed as a percentage of a salary deducted by an employer from a salary of an employee and a percentage of salary of an employee financed by an employer and remitted to the Fund;

“currency point” has the value assigned to it in Schedule 1;

“custodian” means a financial institution licensed by the Uganda Retirement Benefits Regulatory Authority and whose business includes safe custody of the funds, securities, financial instruments and documents of title of the assets of the Fund;

“disability” means a medically diagnosed physical, sensory or mental condition, disease or injury determined by the medical board as rendering a person incapable of doing any work for remuneration;

“early retirement” means retirement before attaining the compulsory retirement age;

“employee” means any person who has entered into a contract of service with Government and is employed in the public service or other public service;

“employer” means a ministry, department or agency of Government and local governments;

“Fund” means the Public Service Pensions Fund established under section 5 of this Act;

“future service” means service provided by an employee on or after the commencement of this Act;

“medical board” means a board appointed by the Permanent Secretary of the ministry responsible for health to assess a disability and advise on request to retire on medical grounds;

“member” means a person who is admitted to the membership of the Public Service Pension Fund, who makes contributions or in respect of whom contributions are made to the public service pension fund;

“Minister” means the Minister responsible for public service;

“minimum pension” means the least amount of benefit that a beneficiary is entitled to receive from the Scheme;

“other public service” means public service in Government agencies, departments, authorities, boards or commissions subscribing to a retirement benefits Scheme other than the Pension Scheme;

“past service” means service provided by a pensionable employee in the public service prior to the commencement of this Act;

“pension” means a regular payment in a determinable amount fixed at regular intervals made to a pensioner or a survivor for life or a fixed period, as specified in this Act;

“pensioner” means a person who served in a pensionable office and is receiving pension;

“pensions authority” means the Permanent Secretary of the Ministry responsible for Public Service;

“pensionable employee” means an employee whose employment service provides an entitlement to pension under this Act;

“pensionable emolument” means the last annual basic salary of an employee prior to the retirement of that employee;

“pensionable office” means an office in public service to which a person is appointed, on probation or otherwise, by the authority having power to make appointments to the public service of Uganda on terms which include eligibility for the grant of a pension under this Act;

- “pensionable service” means service which shall be taken into account in computing pension;
- “public office” means an office in the public service;
- “public officer” means a person holding any public office;
- “public service” means service in a civil capacity of the Government or of a local government;
- “qualifying period for pension” means the length of service in public service or other public service which a member shall serve before qualifying for pensionable service;
- “qualifying service” has the meaning assigned to it in section 33;
- “reserve account” means an account established by the Board under section 54 of this Act;
- “responsible officer” means the Permanent Secretary of a ministry, a head of department in case of Government department, a head of a Government agency under which an employee is serving, a chief administrative officer or a town clerk of a local Government;
- “retirement bond” means a certificate of debt, paying a fixed rate of interest, issued by Government of Uganda in respect to the past service benefits;
- “salary” means the salary attached to a pensionable office or, where provision is made for taking service in a non-pensionable office into account as pensionable service, the salary attached to that office;
- “security organisation” means a security organisation established under section 2 of the Security Organisations Act;
- “survivor” means a natural person who is, or may become, entitled to a survivors’ benefit on the basis of the rights of

a deceased pensionable employee or a pensioner following the death of the pensionable employee or pensioner;

“survivors’ benefits” means payment made to a survivor of an amount which would be payable to a pensioner.

3. Object of the Act

The object of this Act is to—

- (a) establish the Public Service Pension Fund;
- (b) establish the Public Service Pension Scheme;
- (c) provide for the collection of contributions and payment of retirement benefits; and
- (d) regulate the investment and custody of pension assets.

4. Application of this Act

(1) This Act applies to employees in the public service and employees of the other public service who elect to join the Scheme

(2) This Act does not apply to—

- (a) any person in an elective position;
- (b) a member of the armed forces;
- (c) an employee of a security organisation;
- (d) an employee in other public service subscribing to an existing retirement benefit Scheme;
- (e) an employee in the public service who at the commencement of this Act is left with five years to attain the mandatory retirement age and who has not elected to join the Scheme; and
- (f) any other category that may be expressly exempted by law.

(3) The Minister may by statutory instrument prescribe employees to whom this Act may or may not apply

PART II- THE PUBLIC SERVICE PENSION FUND

5. Establishment of the Public Service Pension Fund

(1) There is established a Fund to be known as the Public Service Pension Fund.

(2) The Fund shall be a body corporate with perpetual succession and a common seal and may for the discharge of its functions under this Act—

- (a) sue or be sued in its corporate name;
- (b) acquire, hold, manage and dispose of any moveable and immovable property; and
- (c) do, enjoy or suffer anything that may be done, enjoyed or suffered by a body corporate

(3) The application of the seal of the Fund on any document shall be authenticated by the signatures of the Chief Executive Officer and Secretary of the Board.

(4) A document issued by the Board as an instrument shall be sealed with the seal of the Board and authenticated in accordance with subsection (3) and shall be received in evidence without further proof.

6. Functions of the Fund

The Fund shall exercise the following functions—

- (a) to establish and operate a Scheme for persons employed in public service and other public service who elect to join the Scheme;
- (b) to specify the rules for the contributions, records keeping and payment out of the Fund;
- (c) to finance the payment of benefits under the Scheme;

- (d) to mobilise resources for the management of the Scheme;
and
- (e) to ensure prudential management of the Scheme.

7. Source of monies of the Fund

The monies of the Fund shall consist of—

- (a) monies appropriated by Parliament;
- (b) monies that may accrue to the Fund in the discharge of its functions;
- (c) all sums of monies from time to time received by the fund in respect of contributions, income on investment, fees, fines, penalties and interest on dues;
- (d) grants, gifts or donations from the Government or other sources made with the approval of the Minister;
- (e) money from any other source as may be approved by the Minister;
- (f) revenue derived from the sale of property, movable or immovable, by or on behalf of the Fund; and
- (g) sums which may in any manner become payable to or vested in the Fund under this Act or any other law.

8. Board of trustees

(1) The Fund shall have a Board of trustees appointed by the Minister with the approval of Cabinet, which shall comprise of—

- (a) a representative of the Ministry responsible for finance of or above the rank of Commissioner;
- (b) a representative of the Ministry responsible for labour of or above the rank of Commissioner;

- (c) a representative of the Ministry responsible for public service of or above the rank of Commissioner;
- (d) a representative of the Ministry responsible for Local Government of or above the rank of Commissioner;
- (e) two representatives of Public Service Labour unions nominated by the centre; and
- (f) three persons, not being public officers who are knowledgeable or experienced in matters relating to the administration of retirement benefits or actuarial valuation, banking, insurance, finance, law, accounting, economics or business administration.

(2) The Chief Executive Officer of the Fund shall be an ex-officio member of the Board.

(3) A person shall not be eligible for appointment under subsection (1) (f), if that person is an employee or director of any company, firm or institution where such employment or directorship may lead to a conflict of interest.

(4) The Minister shall with the approval of Cabinet appoint a Chairperson from among the members appointed under subsection (1) (f).

(5) The members of the Board shall hold office on terms and conditions specified in their instruments of appointment.

(6) The Minister shall, in appointing the members of the Board, ensure that there is a balance of gender, skills and experience among the members of the Board.

9. Functions of the Board

- (1) The Board shall exercise the following functions—
 - (a) oversee the management of the the Fund;

- (b) oversee the management of the Scheme;
- (c) collect contributions from pensionable employees and their employers;
- (d) approve annual work plans and budget of the Fund in consultation with the Minister;
- (e) keep custody of the assets of the Fund and invest the funds in accordance with this Act and other laws.
- (f) maintain records on pensionable employees, pensioners or survivors;
- (g) cause to be conducted periodic actuarial valuations of the Scheme in accordance with section 32 of this Act;
- (h) make rules, manuals and guidelines to govern the administrative, financial and technical matters of the Fund;
- (i) inspect financial records of an employer required to make contributions;
- (j) appoint a fund manager, custodian, accountant, auditor, actuaries and any other service provider;
- (k) approve an information, education and communication strategy for the members of the Scheme and employers;
- (l) hold an annual general meeting of the members; and
- (m) exercise any other function necessary to achieve the objectives of the Fund.

(2) The Board may, in writing delegate any of the functions specified under sub-section (1) to a custodian, fund manager or an actuary except for the functions specified in subsection (1) (j).

10. Tenure of office

(1) A member of the Board, shall hold office for a period of three years and is eligible for reappointment for only one more term upon satisfactory performance.

(2) A member of the Board may at any time resign his or her office by a letter addressed to the Minister, giving notice of at least three months.

(3) The Minister may at any time remove a member of the Board for—

- (a) inability to perform the functions of his or her office arising from infirmity of body or mind as may be ascertained by the medical board;
- (b) misbehavior or misconduct;
- (c) incompetence;
- (d) absence from at least three consecutive meetings of the Board, or absence from Uganda for more than twelve months without reasonable excuse;
- (e) bankruptcy; or
- (f) conviction for a criminal offence, in Uganda or elsewhere, in respect of which the maximum penalty exceeds six months imprisonment without the option of a fine.

(4) Where it appears to the Minister that there is cause to remove a member under subsection (3), the Minister shall notify the member concerned in writing and shall give the member an opportunity to defend him or herself.

(5) A person representing an institution may be withdrawn from the Board by that institution.

(6) Where the Chairperson or member of the Board is being investigated for an offence involving dishonesty or fraud, the Minister shall suspend the chairperson or member from being a Chairperson or member of the Board, until the investigations are complete.

11. Independence of the Board

(1) The Board shall be independent in the performance of its functions and shall not be subject to the direction, instruction or control of any person or authority.

(2) Notwithstanding subsection (1), the Minister may give the Board policy guidance.

12. Filling vacancies of the Board

(1) Where a member of the Board is removed from office under this Act, the Minister shall within six months of the occurrence of the vacancy, appoint another person qualified to be appointed a member of the Board under this Act to replace the member of the Board and to hold office for the remainder of the term of the member of the Board that is removed.

(2) Where the member of the Board referred to in subsection (1) is the Chairperson, the Secretary to the Board shall notify the Minister of the vacancy and the Minister shall appoint another person, to hold office of the Chairperson for the unexpired period of the term of office of the Chairperson.

13. Meetings of the Board

The meetings of the Board shall be conducted in the manner prescribed in Schedule 2 to this Act.

14. Remuneration of members of the Board

(1) The Chairperson and members of the Board shall be paid such remuneration as shall be specified in their instruments of appointment.

(2) The Minister shall, in consultation with the Minister responsible for finance, determine the remuneration of the Chairperson and members of the Board

15. Committees of the Board

(1) The Board may appoint committees of the Board—

- (a) to inquire into and advise the Board on any matter concerning the functions of the Board as it may refer to the committee; and
- (a) to exercise such powers or perform such functions of the Board as the Board may delegate.

(2) A committee appointed under subsection (1) shall consist of a Chairperson who shall be a member of the Board and other two members of the Board.

(3) The Board shall, in writing specify the terms and conditions of service of members of the committee appointed under this section.

(4) Members of a committee appointed under this section may be paid such allowances as the Board may determine in consultation with the Minister.

(5) The Board may require the committee appointed under this section to act jointly or in cooperation with any other committee

(6) The Board may co-opt an expert for purposes of facilitating the committee in the discharge of its function.

(7) A committee appointed under this section may regulate its own procedure.

16. Branch offices of the Fund

(1) The Board may open, operate or close a branch office of the Fund as the Board may deem necessary to conduct the business of the Fund.

(2) A branch office of the Fund shall perform the functions of the Fund in the region or district that the Board may direct.

*Chief Executive Officer and other staff of the Fund***17. Chief Executive Officer**

(1) There shall be a Chief Executive Officer of the Fund, who shall be appointed by the Minister, on recommendation of the Board, on such terms and conditions specified in the instrument of appointment.

(2) A person shall not be appointed Chief Executive Officer unless that person—

- (a) has considerable experience of at least fifteen years in Finance and investment, accounting, pension management or actuarial valuation, insurance, Banking, Business Administration, or other related field with competence to manage the affairs of the Board; and
- (b) is a person of high moral character and proven integrity.

18. Functions of Chief Executive Officer

(1) The Chief Executive officer shall be responsible for the day to day operations and administration of the Fund.

(2) The Chief Executive Officer shall—

- (a) implement the decisions of the Board;
- (b) recommend to the Board proposals for formulation of policies of the Fund;
- (c) supervise employees of the Fund as shall be necessary for the discharge of the functions of the Fund;
- (d) prepare and submit the annual budget proposal and other annual reports of the Fund to the Board;
- (e) maintain records of the Fund;
- (f) disseminate information and undertake sensitisation and education programs of the Fund;

- (g) sign and oversee all financial transactions, records, reports and statements of the Fund; and
- (h) perform and exercise any function or power assigned or delegated by the Board.

(3) In exercise of his or her functions, the Chief Executive officer shall have the power to—

- (i) require an employer to provide records of a member or an employee; and
- (j) inspect, assess and enforce payment of contributions and the collection of fines payable by the responsible officer.

(4) The Chief Executive Officer is, in the performance of his or her functions, answerable to the Board

19. Tenure of office of Chief Executive Officer

(1) The Chief Executive Officer shall hold office for five years and is eligible for re-appointment for one more term only upon satisfactory performance of his or her duties in the previous term.

(2) The Chief Executive Officer shall cease to hold office if—

- (a) he or she resigns;
- (b) he or she is declared bankrupt;
- (c) he or she is convicted of an offence involving dishonesty or fraud; or
- (d) he or she is removed from office by the Minister on recommendation of the Board for—
 - (k) inability to perform the functions of his or her office;
 - (l) infirmity of body or mind as ascertained by the medical board;

- (m) misbehavior or misconduct; or
- (n) incompetence.

20. Appointment of other staff of the Fund

(1) The Board shall, on the advice of the Chief Executive Officer, appoint other staff of the Fund including the secretary to the Board as may be necessary for the effective performance of the functions of the Fund.

(2) The employees appointed under this section shall hold office on such terms and conditions as the Board may determine and specify in their instruments of appointment.

(3) The terms and conditions of employment of the other staff of the Fund shall be determined by the Board in consultation of the Minister.

(4) The staff of the Fund shall be under the supervision of the Chief Executive Officer.

21. Interim management

(1) The Minister shall, second an interim Chief Executive Officer and other staff of the Fund from the public service, to manage the Fund in accordance with this Act.

(2) A person shall not be seconded under subsection (1), unless that person is qualified to be appointed to the Fund.

(3) The terms and conditions of service of an employee seconded in accordance with subsection (1) shall be determined by the Minister.

(4) The interim period provided under this section shall not exceed three years from the date of the secondment.

(5) Upon appointment of a Chief Executive Officer and other staff of the Fund, the interim Chief Executive Officer and other staff

seconded in accordance with this section shall be terminated within thirty days and the seconded staff shall revert to their employment in the public service unless the seconded staff is appointed as staff of the Fund

22. Exemption from personal liability

A member of the Board or staff of the Fund shall not, in his or her personal capacity, be liable in civil proceedings in respect of any act or omission done in good faith in the performance of his or her functions under this Act.

PART III—PUBLIC SERVICE PENSION SCHEME

Establishment of the Scheme

23. Establishment of Scheme

The Fund shall establish and operate a contributory defined benefit pension scheme to be known as the Public Service Pension Scheme for purposes of ensuring social security of pensionable service.

24. Membership of Scheme

(1) A person shall be a member of the Scheme upon registration under section 25, of this Act.

(2) A person referred to under subsection (1), may be registered as a member of the Scheme if that person is—

- (a) an employee in the public service who at the commencement of this Act is left with more than five years to attain the mandatory retirement age;
- (b) an employee in the Public Service who is left with five years to attain the mandatory retirement age and who elects to join the Scheme; or
- (c) an employee of the other public service who elects to join the Scheme and is not a member of a similar retirement benefit Scheme.

25. Registration of members

(1) A responsible officer shall on the commencement of this Act—

- (a) transfer to the Fund the pension files and other relevant information for employees under section 24 (2) (a) and (c); and
- (b) register with the Fund, employees under section 24 (2) (b), within thirty days after electing to join the Scheme.

(1) A responsible officer shall register with the Fund an employee, that joins public service or an employee of the other public service who elects to join the Scheme, within thirty days from the date that the employee assumes duty

26. Cancellation of registration

(1) The Fund may cancel registration of an employee, if the responsible officer notifies the Fund that the person has ceased to be an employee and that employee has elected not to continue contributing to the Fund.

(2) The retirement benefits due to an employee whose registration is cancelled under subsection (1), shall be determined in accordance with this Act

*Contributions***27. Mandatory contribution**

(1) A responsible officer shall, for every contributing period after the date of registration with the Fund, pay to the Fund a contribution that consist of employer and employee contributions.

(2) A contribution shall be paid to the Fund by the 15th day of the next month, following the last day of the month in respect of which a payment for the basic salary for that month or part of that month is made to the employee.

(3) A responsible officer shall—

(a) in respect of an employee contribution, deduct from the salary of the employee five percent of the basic salary of that employee; and

(b) in respect of an employer's contribution, contribute ten percent of the basic salary of an employee.

(4) The deduction of contributions referred to in subsection (3) shall be effected on the basic salary of the employee.

(5) The obligation of the employer and employee to contribute shall commence on the first day of registration and end on the last day of pensionable service;

(6) The Minister may, on the basis of an actuarial valuation under section 31 of this Act, by statutory Instrument, vary the rates of contribution referred to in subsection (3)

(7) The statutory instrument referred to under subsection (6) shall be laid before Parliament.

28. Remittance of contributions

(1) The responsible officer shall remit employer and employee contributions to the specified bank account of the Fund on a monthly basis by the 15th of the next month in respect of which a payment for the salary for that month or part of that month is made to the employee.

(2) The Fund shall upon receipt of contributions notify the employer with confirmation of the contribution amounts received.

29. Contribution account

(1) The Fund shall open and operate a contribution account into which the contributions in respect to members shall be credited.

(2) Contributions in respect of an employee shall stop when an employee ceases to be a member by reason of—

- (a) attaining the mandatory retirement age,
- (b) transfer of service to other public service;
- (c) cancellation of registration under section 26 (1) of this Act; or
- (d) withdrawal from the public service in accordance with this Act.

(3) A responsible officer may suspend payment of contributions for the period where an employee who has not retired in accordance with this Act—

- (a) ceases to receive monthly salary in respect to pensionable service; or
- (b) in the case of employees in other public service, ceases to be employed.

(4) Where contributions in respect to a member is suspended under subsection (3), the period of suspension shall not be taken into account in computation of the benefits of the member upon retirement from the service.

30. Identification Number

(1) A member of the Fund shall be identified by the National Identification number.

(2) The Fund shall use the identification number for the purpose of collecting contributions, recording and processing information on the member.

(3) The identification number shall not be transferable or assignable to any other person.

31. Penalty for non-payment of contributions

(1) Where the responsible officer fails to remit contributions into the Fund by the 15th day of the month following the month for which the salaries are paid, there shall be added, until the whole sum including the penalty is paid into the fund—

- (a) a penalty to such contribution of a sum equal to one-point five percent of the amount of that contribution; and
- (b) on and after the fifteenth day of the following month, a penalty to the original amount of that contribution of a further sum equal to one-point five percent until the amount is remitted.

(2) The Chief Executive officer shall transfer the penalty in subsection (1), into the reserve account.

(3) A responsible officer shall not be liable to pay a penalty referred to under subsection (1), where the failure to remit contributions is as a result of the failure of the systems of government in effecting payments.

32. Actuarial valuation

(1) The Board may, at least every after three years cause to be conducted an actuarial valuation of the Fund.

(2) The Board shall submit the actuarial valuation report to the Minister.

(3) Upon receipt of the actuarial valuation report, the Minister may direct the Board to implement the recommendations in the report.

Qualifications for benefits and determination of benefits

33. Qualifying service

(1) Qualifying service is the period between the date on which an employee begins to draw salary in respect of the public service or in case of employees in other public service, from the date the employee

starts to contribute to the Fund, until the date of the employee leaves the public service or an employee of other public service ceases to contribute to the Fund.

(2) Qualifying service for an employee in the public service includes the period during which an employee is on leave without pay or joined other public service.

(3) Qualifying service shall be the basis of determining whether an employee is eligible, by length of service, for pension or any other benefit under this Act.

34. Qualifying period for pension

(1) The qualifying period for pension is at least ten years of continuous service in a pensionable service or an aggregate period of at least ten years in service in the public service including the period an employee is on leave without pay or joined other public service

(2) A qualifying period for pension for employees in other public service shall be at least ten years of remitting to the Fund full employer and employee contributions.

(3) Subject to subsection (1), an employee who has not served for at least ten years in a pensionable service, may qualify for pension in the following circumstances—

- (a) retrenchment;
- (b) abolition of office, or
- (c) retirement on medical grounds for injuries sustained in the course of duty as shall be granted by the appointing authority on the recommendation of a medical board.

35. Pension

(1) An employee shall qualify for pension if that employee has attained the qualifying period for pension under section 34 and qualifying service under section 33 of this Act.

(2) For purposes of computing pension, pensionable service for an employee shall be less the period an employee—

- (a) is on leave without pay where the employer and employee contributions have not been remitted to the Fund; or
- (b) joins other public service where the employer and employee contributions have not been remitted to the Fund.

36. Qualification for payment of pension

(1) A member of the scheme qualifies to receive pension from the Fund—

- (a) on the attainment of the mandatory retirement age;
- (b) on continuous service for twenty years, in the case of service in public service;
- (c) on attainment of forty-five years of age and the qualifying period;
- (d) upon death and having served a qualifying period;
- (e) upon abolition of office or retirement on medical grounds, for injury sustained on duty in accordance with section 34 (3).
- (f) on retirement from the service in public interest having served the qualifying period;
- (g) upon transfer to other public service where a member is required to subscribe to any other retirement benefits Scheme other than the Scheme and having served a qualifying period; or
- (h) on medical grounds having served a qualifying period.

(2) Pension granted under subsection (1) (d) shall be paid to the legal representative for a maximum period of fifteen years.

(3) The Fund shall pay a minimum pension of a quarter of the last pensionable emolument, where the pension granted under this Act, inclusive of the redeemed bond, is less than the minimum pension.

(4) A member to whom a minimum pension is granted in accordance with subsection (3) shall not be entitled to a gratuity in accordance with section 42.

37. Short service gratuity

(1) A member of the Scheme shall qualify for payment of short service gratuity equivalent to five times the annual amount of pension computed in accordance with section 40 of this Act.

(2) A member of the Scheme shall qualify for payment from the Fund under subsection (1)—

- (a) upon death if he or she has not served for a qualifying period;
- (b) on retirement from the service on medical grounds if he or she has not served for a qualifying period;
- (c) in case of an employee who retires on marriage grounds and has served for at least five years but less than the qualifying period;
- (d) on retirement from the service in public interest having served for less than the qualifying period; or
- (e) upon transfer to other public service where a member is required to subscribe to any other retirement benefits Scheme other than the Scheme and had served for less than the qualifying period.

(3) The short service gratuity referred to in subsection (1) shall be payable in a lumpsum and is not recurrent.

(4) The short service gratuity referred to in subsection (1) shall take into account the accrued benefit of the past service based

on an actuarial equivalence prescribed by the Regulations made under this Act.

38. Refund of contributions

(1) A member of the Scheme is entitled to a one-off refund of the employee and employer contributions—

- (a) on termination of probationary appointment;
- (b) on dismissal of the employee;
- (c) upon abscondment from duty; or
- (d) upon resignation from office.

(2) A member who exits service in accordance with subsection (1), shall be entitled to redeem the full value of the bond issued in respect to the past service without applying any actuarial equivalence.

(3) If the Fund determines that an employer or employee has made contributions in excess of the required contributions, the Fund may refund the excess contributions in accordance with the Regulations made under this Act.

(4) The Fund shall refund the excess contributions in subsection (3) without interest.

(5) Where an excess contribution is made in respect of an employee whose contributions are in arrears, the Fund shall offset the outstanding arrears prior to refunding the excess contribution.

39. Application for pension or other benefits

(1) A member of the Scheme who retires or leaves office and qualifies for payment of pension in accordance with section 36 or who qualifies for short service gratuity under section 37 of this Act or a legal representative may apply to the Board for pension in accordance with the Regulations made under this Act.

(2) The Board shall upon receipt of the application under subsection (1), compute the pension or other benefits payable to the member of the Scheme or the legal representative.

40. Pension formula for future benefits

(1) The pension payable to a person referred to in section 36 of this Act, shall be calculated based on length of service of the employee, the last pensionable emoluments and pension fraction of one six-hundredth.

(2) For purposes of this section “last pensionable emoluments” means the last annual basic salary earned by a pensionable employee.

41. Pension increase

(1) Increase in pension and other benefits granted under this Act, shall be declared by the Board at the Annual General Meeting based on the performance of the fund in a particular year and the changes in the value of money.

(2) The Fund shall not reduce pension amounts on account of underperformance of the fund.

(3) The increase in pension under this section shall not affect the calculation of a commuted pension gratuity granted in accordance with this Act or Regulations made under this Act.

42. Commuted pension gratuity and a reduced pension

(1) A member to whom a pension is payable under section 36 may at his or her option, exercisable not later than thirty days immediately preceding the date of his or her retirement from service, or at such later date as the Board may in any special case approve, be advanced a commuted pension gratuity at the rate of one-third of that pension for an aggregate period of fifteen years.

(2) A member who does not exercise the option under subsection (1), is entitled to the full amount of pension which that member would have drawn from the Fund under section 40 of this Act.

(3) Where a member exercises the option under subsection (1) of this Act, that member shall be paid a monthly pension of two thirds of the pension provided under section 35 of this Act.

(4) The pension provided under subsection (2) shall continue beyond fifteen years, if the member furnishes evidence to the Board that he or she is still alive.

43. Pensions for past service

(1) The retirement benefits accruing to a member of the Scheme as a result of past service in the public service shall be computed in accordance with the terms and conditions of service existing before the commencement of this Act.

(2) The Fund shall issue to a member of the Scheme who is entitled to retirement benefits under subsection (1) a retirement bond equivalent to the total retirement benefits that was due to the employee as computed at the commencement of this Act.

44. Reappointment of an employee into pensionable service

A member of the Scheme, who leaves pensionable service and is reappointed to pensionable service, shall have the previously earned benefit added to the subsequent pensionable service, if that member has not received any retirement benefit in relation to previous pensionable service.

45. Death gratuity

Where an employee dies while holding a pensionable office the legal representative shall be entitled to a higher of the gratuity computed in accordance with sections 37 and 39 of this Act or a gratuity of an amount not exceeding three times his or her annual pensionable emoluments.

46. Retirement on medical grounds arising from injury sustained on duty

Where as a result of—

- (a) an injury sustained in the actual discharge of and attributable to the nature of his or her duty and which is not wholly or partly due to, or aggravated by negligence or misconduct of the employees; or
- (b) contracting a disease to which an employee is exposed by the nature of the duties of the employee, not being a disease wholly or partly due to negligence or misconduct of an employee,

dies or retires as a consequence of that injury or disease, upon satisfaction of the medical board and upon granting of retirement by the appointing authority, the Board shall grant, in addition to the grant of pension, if any, provided under section 40 of this Act, an additional pension benefit computed in accordance with the Regulations made under this Act.

47. Computation of pension and gratuity in case of abolition of office

(1) An employee retired from the service on the abolition of the office that the employee holds shall be entitled to pension and gratuity regardless of the qualifying period for pension, if the employee is confirmed in the service.

(2) An employee referred to in subsection (1), shall be paid an additional pension of twenty-five percent of the annual pension granted in subsection (1) of this Act.

48. No alienation or attachment of pension

(1) A pension, gratuity or other allowance granted under this Act, shall not be assignable or transferable and shall not be attached, confiscated or levied upon in respect of any debt or claim except for the purposes of satisfying—

- (a) a debt due to the Government or a debt relating to a tax due and payable; or
- (b) an order of court for the payment of periodical sums of money towards the maintenance of a child of an employee to whom the pension, gratuity or other allowance has been granted,

(2) Where a pensioner is adjudicated bankrupt or is declared bankrupt by judgment of court, an employee or legal representative shall continue to receive the pension or gratuity, but the pension or gratuity shall not be subject to attachment under the Insolvency Act, Cap. 108.

49. Pension to cease on death

(1) A pensioner shall cease to be paid pension, gratuity or other retirement benefits upon death of the pensioner to whom it is granted if that pensioner had received pension for at least fifteen years.

(2) Where a pensioner dies before the expiry of fifteen years after the date of his or her retirement, the fund shall continue paying the pension to the legal representative for the unexpired period of the fifteen years.

50. Pension for families of missing employees

Where a manager of the estate of a pensioner or employee furnishes the Fund with letters of administration of the estate of a pensioner or an employee confirming that an employee or pensioner has been declared a missing person, the Fund shall pay the retirement benefits due to the pensioner or employee in accordance with the provisions of this Act.

51. Retirement bond

(1) A member of the Scheme who is entitled to a retirement benefit accruing from the past service shall be issued with a retirement bond equivalent to the total retirement benefits due to him or her at the commencement of this Act.

(2) The Fund shall redeem a retirement bond of a member of the Scheme referred to under subsection (1), upon retirement of that member in accordance with the Regulations made under this Act.

PART IV—FINANCES OF THE FUND

52. Power to open and operate bank accounts

The Board shall in accordance with the Public Finance Management Act, Cap. 171 open and maintain a reserve account, a suspense account and such other bank accounts as are necessary for the exercise of its functions and shall pay into them—

- (a) all monies received from the Government for the purposes of this Act; and
- (b) all other monies received by the Board in the exercise of its functions under this Act.

53. Unclaimed benefits account

(1) All un allocated contributions and unclaimed benefits shall be deposited in the unclaimed benefits account opened and operated by the Board.

- (1) The Board shall—
 - (a) furnish the details of the unallocated contributions and unclaimed benefits; and
 - (b) annually publish details of the unallocated contributions and unclaimed benefits in a newspaper of wide circulation.

(2) Upon expiry of five years after the first publication in subsection (2) and where such benefits remain unallocated or unclaimed, a final publication shall be made in a newspaper of wide circulation giving a final notice of unallocated contributions and unclaimed benefits.

(3) Where the unallocated contributions or unclaimed benefits remain unallocated or unclaimed for six months after the final publication referred in subsection (3), the Scheme shall transfer the unallocated contributions and unclaimed benefits to the reserve account.

(4) The Minister shall, in consultation with the Minister responsible for finance by Statutory Instrument, prescribe the manner in which the unallocated contributions and unclaimed benefits shall be managed.

54. Reserve account

(1) The Board shall open and operate a reserve account, to which shall be deposited—

- (a) any fines and penalties imposed by this Act to be paid into the Fund;
- (b) any special contribution;
- (c) any income from investments as determined by the Minister in consultation with the Board; and
- (d) any other monies of the Fund that the Minister, may direct to be deposited in the reserve account.

(2) The funds in the reserve account shall not be drawn out of or otherwise appropriated from the reserve account other than money paid into the reserve account in error except with the approval of the Minister.

(3) Any interest and income arising from the unallocated contributions and unclaimed benefits shall be credited to the reserve account.

(4) The assets of the Fund, the mandatory contributions, any reserves or coverage of the Scheme benefits shall not be used as collateral or guarantee of repayment of the loan.

55. Accounts and audit

(1) The Board shall cause to be prepared proper books of account and records for every financial year with respect to—

- (a) receipt and expenditure of monies or other financial transactions of the Fund; and
- (b) assets and liabilities of the Fund.

(2) The Auditor General or an auditor appointed by the Auditor General shall not later than six months after the close of every financial year audit or cause the audit of the accounts of the Fund relating to that financial year.

(3) The Board shall submit to the Minister a copy of the audited statement of accounts together with the audited report conducted under subsection (2), immediately after the accounts of the Fund have been audited, and in any case not later than six months after the audit.

(4) The Board shall publish or cause to be published the audited financial statements of the Fund.

56. Annual report

(1) The Board shall not later than six months after the end of each financial year make and submit to the Minister a report on the performance of the Fund during that financial year.

(2) The Minister shall cause the report to be published within thirty days after receiving the report referred to in sub section (1).

57. Recovery of sums due to the Fund

(1) All sums due to the Fund shall be recoverable as a debt due to the Fund.

(2) Any contribution recovered shall be credited to the account of the member of the Fund.

(3) The Board shall in addition present the report at the annual general meeting of members.

58. Investment

(1) The assets of the Fund shall only be invested in accordance with this Act and any other law in force in order to maximize returns on investment for the Fund.

(2) The Board shall undertake prudent investment of the assets of the Fund and should take into consideration—

- (a) the security of assets of the Fund;
- (b) diversity of investment;
- (c) the maximum return consistent with security and diversity of assets of the Fund; and
- (d) maintenance of adequate liquidity.

(3) The Board shall, in consultation with the Minister, develop an investment policy of the Fund and all the investments undertaken by the Fund shall be in accordance with that investment policy.

(4) The Board shall with the approval of the Minister develop an investment plan for each financial year.

(5) The Minister shall lay before Parliament the investment plan developed under subsection (4), together with the audited and annual reports of the Fund.

59. Compliance with the Public Finance Management Act

The Board shall, in managing the finances of the Fund comply with the Public Finance Management Act, Cap. 171.

PART V—MISCELLANEOUS PROVISIONS**60. Annual general meeting**

(1) The Fund shall in each year hold annual general meeting of the members to be held at least by 31st March of the calendar year.

(2) The Minister may by regulations prescribe the procedure to be followed by the Fund in convening the annual general meeting.

61. Record keeping

(1) The Board shall maintain, receive or transfer records in electronic form or otherwise, in respect of the Scheme.

(2) The Board shall establish a system of recording, maintaining, filing and transferring of documents electronically.

(3) The system shall include specified criteria for authorising persons to file documents in a manner that ensures security and authentication of the documents.

62. Exemption from income tax

Notwithstanding any provision in any written law to the contrary, income tax shall not be charged on contributions, investment returns and retirement benefits under this Act.

63. Exemption from stamp duty

Stamp duty shall not be chargeable in respect of any instrument executed by any person on behalf of or in favour of the Fund in respect of the payment of any benefit or the refunding of any contribution under this Act.

64. Guidelines

The Board may issue guidelines for giving effect to the provisions of this Act and for its due administration.

65. Offences and penalties

(1) A person who contravenes any provision of this Act commits an offence and is liable on conviction, to a fine not exceeding one hundred currency points or imprisonment for a term not exceeding three years, or both.

(2) Where a custodian, employer, trustee, administrator or fund manager of a Scheme contravenes or authorises a contravention

of any provision of this Act, he or she shall be personally liable to pay a civil penalty of five hundred currency points in respect of each day on which the offence continues.

(3) Any person who being a custodian, employer, trustee, administrator or fund manager of a Scheme, with intent to defraud causes loss to a Scheme directly or indirectly, commits an offence and is liable on conviction to a fine not exceeding one thousand currency points or imprisonment for a term not exceeding five years or both.

(4) A person who—

- (a) makes any false statement or false representation;
- (b) for the purpose of obtaining any benefit or in order to evade payment of the contributions, whether for himself or herself or for some other person, produces or causes or allows to be produced any document or gives or causes to be given any information which he or she knows to be false in a material particular;
- (c) misrepresents or fails without lawful excuse to disclose any material fact;
- (d) fails without lawful excuse to register or to furnish particulars required under this Act to be furnished;
- (e) makes an unauthorised deduction from a salary payment to an employee;
- (f) fails to pay, within the time prescribed under this Act or the regulations made under this Act any contributions or payment which he or she is liable to pay; or
- (g) contravenes in any way any provision of this Act as a result of which an account of a member cannot be credited with all the contributions or interest due, commits an offence and is liable on conviction to a fine not exceeding two thousand currency points.

66. Power to make Regulations

(1) The Minister may in consultation with the Board, make regulations generally for giving effect to the provisions of this Act.

(2) Without prejudice to the general effect of subsection (1), regulations made under this section may—

- (a) prescribe the standards applicable for the management the Fund;
- (b) prescribe the minimum value of assets to be maintained by the Fund to ensure fiscal sustainability of the Scheme;
- (c) prescribe the nature of benefits payable and the administrative arrangements for accessing the benefits;
- (d) prescribe the conditions for application for money paid to one person on behalf of or for the benefit of a beneficiary or survivor;
- (e) regulate the manner of payment of contributions and the refund of contributions paid in error or in excess of the statutory contribution;
- (f) prescribe conditions for redeeming a retirement bond and the formula for converting a retirement bond into a pension and gratuity;
- (h) prescribe any special contributions that may be made to the Fund, including voluntary contributions;
- (i) prescribe the forms to be used for the purposes of this Act;
- (j) prescribe the fees and other charges payable under this Act;
- (k) prescribe the procedure for allocation of number to a member and creation of a central data base;

- (l) provide for the transfer of records of pensioners under the pensions Act, Cap. 89 into the fund and payment of their benefits, and
 - (m) any matter or thing required to be prescribed under this Act.
- (2) The Regulations made under this section may, in respect of any contravention of any of the regulations—
- (a) prescribe a penalty of a fine not exceeding one hundred currency points or imprisonment not exceeding three years, or both;
 - (b) in the case of a continuing contravention, prescribe an additional penalty not exceeding five hundred currency points in respect of each day on which the offence continues, and
 - (c) prescribe a higher penalty not exceeding one thousand currency points in respect of a second or subsequent contravention.
- (3) The Regulations made under this section shall be laid before Parliament.

67. Amendment of Schedules

The Minister may, with the approval of Cabinet, by statutory instrument, amend Schedule 1 and 2.

68. Repeal and savings of Cap. 89

- (1) The Pensions Act, Cap. 89 is repealed.
- (2) Notwithstanding the general effect of subsection (1)—
 - (a) any reference to the repealed Act in any enactment immediately before the commencement of this Act shall be construed as a reference to this Act;

- (b) all assets vested or held in trust by virtue of the repealed Act immediately before the commencement of this Act, shall, upon the commencement of this Act, be deemed to be vested or held in trust by the Fund on the same terms and conditions existing immediately before the commencement of this Act;
- (c) any regulations and instruments made under the repealed Act, shall remain valid and binding, and shall be deemed to be made under this Act, until they are revoked by a statutory instrument made under this Act;
- (d) any decisions, agreements or contracts made under the repealed Act, shall in so far as they are not inconsistent with this Act, remain valid and binding in accordance with the terms under which they were made; and
- (e) any action, arbitration, proceedings or cause of action which, immediately before the commencement of this Act, is pending or existing, by, against or in favour of the Fund before the commencement of this Act, may be continued, enforced or prosecuted by, against or in favour of the Fund without amendment of any pleading or other document.

69. Effect of the Pensions Act on the existing Public Service Pension Scheme

(1) The non-contributory Public Service Pension Scheme existing immediately before the commencement of this Act shall, within twelve months after the coming into force of this Act, cease to take on new members.

(2) All public officers, who at the coming into force of this Act, are aged fifty-five years and above, shall elect to continue to accrue their benefits under the Pensions Act, Cap. 89 or join the Scheme.

(3) All public officers, who upon the coming into force of this Act, are aged less than fifty-five years shall—

- (a) cease to accrue benefits under the Pensions Act, Cap. 89 and, shall join the Fund established under this Act; and
- (b) be issued with a retirement bond in accordance with section 51 of this Act.

70. Preservation and payment of accrued pension rights

(1) All pension rights or benefits accrued under the Pensions Act, Cap. 89 shall be preserved and protected.

(2) The pension rights or benefits accrued under the Pensions Act, Cap. 89 shall continue to be paid by the Government from the Uganda Consolidated Fund.

(3) For the avoidance of doubt, the Government, shall, upon the commencement of this Act—

(a) continue to pay—

- (i) monthly pensions for existing pensioners in accordance with the Pensions Act, Cap. 89;
- (ii) monthly pensions for those members aged fifty-five years or older who shall elect not to join the Scheme when they reach the eligibility age of sixty years; and
- (iii) redemption bonds issued to public officers under this Act until the obligations to eligible members are fully discharged.

(b) issue redemption bonds to all persons, except pensioners who have accrued pension rights and benefits under the Pension Act, Cap. 89 redeemable on retirement from the service.

(3) The Government shall after the commencement of this Act continue to annually allocate monies to the Fund for the payment of awarded pension or other benefits to the pensioners and survivors under

the Pensions Act, Cap. 89 until payment in full of all the pensioners and survivors.

(4) The determination of the accrued pension rights or benefits, for the purpose of calculating the value of the redemption bonds, shall be undertaken by an actuary

(5) The proceeds of the redemption bond redeemed under subsection (3) (b) shall be transferred to the Central Bank, which shall make payment of the benefits plus interest to the Fund.

(6) The retirement benefits payable in subsection (6) shall take into account the accrued benefits under the past service and the benefits computed in accordance with this Act for the future service.

(7) All the costs, directly or indirectly related, or incidental, to any activity required to be done under sub section (6), shall be paid out of the Uganda Consolidated Fund.

(8) The Minister shall, in consultation with the Minister responsible for finance, by regulation prescribe—

- (a) the manner in which the redemption bond will be calculated, the interest it will earn, and how and when it can be redeemed, and any related matter;
- (b) determine the increase in benefits, if any, for the pensioners; or
- (c) any matter relating to the pension rights or benefits accrued under the past service.

71. Charges on the Consolidated Fund.

(1) The costs of establishing the Fund shall be a direct charge on the Consolidated Fund.

(2) Where an actuary has determined that the liabilities of the Fund are in excess of the assets of the Fund, the deficit shall be met through appropriation by Parliament.

SCHEDULES

Section 2

SCHEDULE 1—CURRENCY POINT

One Currency Point is equivalent to twenty thousand Uganda shillings

SCHEDULE 2*Section 13***MEETINGS OF THE BOARD****1. Meetings of the Board**

(1) The Chairperson shall convene every meeting of the Board at a time and place as the Board may determine, and the Board shall meet for the discharge of business at least once in every three months.

(2) The Chairperson may, at any time, convene a special meeting of the Board and shall also call a meeting within fourteen days, if requested to do so in writing by at least five members of the Board.

(3) Notice of a Board meeting shall be given in writing to each member at least fourteen working days before the day of the meeting.

(4) The Chairperson shall preside at every meeting of the Board and in the absence of the Chairperson the members present shall appoint a member from among themselves to preside at that meeting

2. Quorum

(2) The quorum for a meeting of the Board is five members.

(3) All decisions at a meeting of the Board shall be by a majority of the votes of the members present and voting and in the case of an equality of votes, the person presiding at the meeting shall have a casting vote in addition to his or her deliberative vote.

3. Minutes of meetings

(1) The Secretary shall cause to be recorded and kept, minutes of all meetings of the Board in a form approved by the Board.

(2) The minutes recorded under this paragraph shall be submitted to the Board for confirmation at its next meeting following that to which the minutes relate and when confirmed, shall be signed by the Chairperson, in the presence of the members present at the latter meeting.

4. Power to co-opt

(1) The Board may invite any person who, in the opinion of the Board, has expert knowledge concerning the functions of the Board, to attend and take part in the proceedings of the Board.

(2) A person attending a meeting of the Board under subparagraph (1) may take part in any discussion at the meeting on which his or her advice is required but shall not have any right to vote.

5. Validity of proceedings not affected by vacancy

The validity of any proceedings of the Board shall not be affected by a vacancy in its membership or by any defect in the appointment or qualification of a member or by reason that a person not entitled, took part in its proceedings.

6. Disclosure of interest of members

(1) A member of the Board who is in any way directly or indirectly interested in a contract made or proposed to be made by the Board, or in any other matter which falls to be considered by the Board, shall disclose the nature of his or her interest at a meeting of the Board.

(2) A disclosure made under subparagraph (1) shall be recorded in the minutes of that meeting.

(3) A member who makes a disclosure under subparagraph (1) shall not—

(a) be present during any deliberation of the Board with respect to that matter; or

(b) take part in any decision of the Board with respect to that matter.

(4) For purposes of determining whether there is a quorum, a member withdrawing from a meeting or who is not taking part in a meeting under subparagraph (3) shall be treated as being present.

7. Board may regulate its procedure.

Subject to this Act, the Board may regulate its own procedure or any other matter relating to its meetings.

Cross References

1. Public Finance Management Act, Cap. 171.
2. Insolvency Act, Cap 108
3. Security Organisation Act, Cap. 327.