The growth of retirement benefits is key in enabling the government achieve its ambitious agenda of expanding the economy from the current $50 billion to $500 billion by 2040.

Best, worst savings schemes named

BY BUSEIN SAMILU & RACHEAL NABISUBI

Commercial banks produced the best staff saving and investment schemes in FY2024/2025, the latest performance report of the Uganda Retirement Benefits Regulatory Authority (URBRA) released in Kampala yesterday revealed.

I&M Bank Staff Defined Contribution Scheme, Stanbic Uganda Holdings Limited Staff Provident Fund, Bank of Africa Staff Provident Fund, and Centenary Group Staff Defined Contribution Scheme topped the best schemes, the move officials described as a good start.

I&M Bank Staff Defined Contribution Scheme, which has kept the momentum for the last five years, according to the report, hit 20.4 percent, followed by Stanbic Uganda Holdings Limited Staff Provident Fund with 17.7 percent.

In the same order from the bottom, Umeme Limited Staff Retirement Benefits Scheme, Mazima Voluntary Individual Retirement Benefits Scheme, ICEA Lion Teleka Umbrella Fund, and Jubilee Life Umbrella Retirement Scheme were ranked as the worst performers according to the report.

Mr Mosses Ogwapus, the Commissioner for Financial Services, attributed the strong performance of the top four schemes, based on declared interest for FY 2024/25, to banks.

"This performance is due to their efficiency in managing costs and making prudent investments, among other factors," Ogwapus says.

He encouraged other pension schemes to learn from these top performers instead of looking outside for inspiration, and emphasised the importance of investing and maximising opportunities, particularly in infrastructure. The report indicates that the total contributions in the FY2024/25 amounted to Shs2.6 trillion, where Shs1.7 trillion (65 percent), was from the employers, Shs877b (33.6 percent) from employees, and Shs37b (1.4 percent) from voluntary savings.

Of the Shs2.6 trillion, a total of Shs1.6 trillion was paid out, where the largest 47.2 percent went to lump sum, withdrawals accounted for 12.7 percent, immigration grant took 8.3 percent, and pension and exemption accounted for 13.4 percent.

Speaking at the release, the State Minister for Finance in charge of Planning, Mr Amos Lugolobi, said the growth of retirement benefits is key in enabling the government achieve its ambitious agenda of expanding the economy from the current $50 billion to $500 billion by 2040 under the Tenfold Growth Strategy.

"Achieving this transformation requires sustained growth of the Retirement Benefits Sector because retirement schemes account for 67 percent of gross domestic savings. In line with the Tenfold Growth Strategy, we must support the retirement benefits sector to raise domestic savings from 21 percent to 40 percent of gross domestic product (GDP) by 2040," he said

He added, "Total Assets grew to Shs30.7 trillion, an increase of Shs5.3 trillion (21 percent) recording an average return on investments of 14.6 percent. As a ratio of retirement savings to GDP increase from 12.2 percent to 13.6 percent."

According to Ritah Nansasi Wasswa, an accounting officer at URBRA, Uganda has 65 regulated pension schemes but they are not ranked equally.

Mr Julius Mukunda, the executive director of the Civil Society Budget Advocacy Group (CSBAG), called upon Ugandans to embrace saving to spearhead their personal growth and that of the country.

Mr Kabanda Mugalya Mubbale, General Manager at Sanlam Allianz Investments Limited, stated that prudent governance is crucial for ensuring the performance of pension schemes.

"Ranking schemes in terms of governance, we learn that well-governed schemes tend to navigate their investment cycles more consistently over time. With good governance comes effective cost management, compliance with regulatory requirements, and avoidance of penalties related to taxes or regulatory issues," Mubbale explained.

He added that the benefits of good governance manifest in various ways, and a one-size-fits-all approach does not work.

"Each scheme has its unique characteristics, background, operational methods, and underlying reasons. Nevertheless, good governance serves as an overarching framework to guide trustees and service providers in delivering value for their members," Mubbale notes.

Mr Francis Epetait from the Parliamentary Scheme said a risk-based approach is necessary for assessing scheme performance. He emphasised that licensing should be a prerequisite for any scheme to begin operations and advocated for diversification across various asset classes.

Population vs saving

Uganda's total population stands at 45.9 million, with 56.7 percent of the population in the working age bracket. The structural landscape of Uganda's retirement sector comprises 65 schemes, including 47 voluntary occupational schemes, 13 umbrella schemes covering 267 employers, 2 employer-based mandatory schemes, 2 voluntary individual schemes, and 1 national mandatory scheme.

The service providers in this sector include 224 individual trustees, 4 corporate trustees, 14 external auditors, eight administrators, seven fund managers, and seven custodians.

A young workforce highlights the urgent need for broader sector scale, as there are currently 4.06 million total member accounts, up from 3.82 million registered in 2024. The NSSF has 3,604,189 accounts, representing only 16.1 percent of Uganda's total working-age population.

According to Mr Benjamin Mukiibi, Chief Manager of Research and Strategy at URBRA, the average savings per member account per year amounts to Shs646,411. The regional outlook indicates that Uganda holds a 68.5 percent share (Shs21.3 trillion) of the retirement fund industry, while Kenya has 23.4 percent (Shs 6.9 trillion), and Tanzania has 7.9 percent (Shs2.36 trillion).

He commended the authority's strengthened supervisory oversight, which he said has enhanced stability and confidence in the sector, further noting that sustaining this momentum will require better governance and operational efficiency.

State Minister for Finance in charge of Planning, Mr Amos Lugolobi signs a dummy of the Annual Retirement Benefits Sector Performance Report FY 202425. PHOTO/RACHEAL NABISUBI

Best and wost performing savings schemes

Scheme	%age
I&M Bank Staff Defined Contribution Scheme	20.40
Stanbic Uganda Holdings Limited Staff Provident Fund	17.70
Bank of Africa Staff Provident Fund	15.82
Centenary Group Staff Defined Contribution Scheme	15.51
Nile Breweries Staff Retirement Benefits Scheme	15.19
Coca-Cola Beverages Uganda Limited Provident Fund	15.15
NSSF Staff Provident Fund	15.06
Uganda Breweries Ltd Retirement Benefits Scheme	14.92
Vivo Energy Uganda Retirement Benefits Scheme	14.68
Bank of Uganda Defined Contribution Scheme	14.50

WORST PERFORMING SCHEMES

Scheme	%age
Toyota Uganda Limited Staff Provident Fund Scheme	12
Enwealth Uganda Umbrella Retirement Scheme	11.41
Dfcu Ltd Staff Provident Fund	11.39
Uganda Clays Staff Contributory Provident Fund	11.36
Britam Umbrella Scheme	11.08
Parliamentary Pension Scheme	11
Jubilee Life Umbrella Retirement Scheme	10.84
ICEA Lion Teleka Umbrella Fund	10.68
Mazima Voluntary Individual Retirement Benefits Scheme	10
Umeme Limited Staff Retirement Benefits Scheme	10

Source: Annual Retirement Benefits Sector Performance Report FY 2024/25