

# Retirement savings surge to Shs30.7Trn

Uganda's retirement savings sector has grown steadily under the watch of the Uganda Retirement Benefits Regulatory Authority (URBRA). As more Ugandans both in formal and informal employment begin to appreciate the importance of saving for old age, the regulator continues to strengthen oversight, protect members' benefits, and expand coverage. Daily Monitor's **RACHEAL NABISUBI** had a chat with **Ms RITA FAITH NANSASI WASSWA**, the Accounting Officer at URBRA, to discuss the mandate, milestones, and challenges facing the authority.

Coverage remains a major challenge. Currently, only about 18 percent of Uganda's working population is covered by retirement benefits schemes. Expanding this coverage, especially to informal workers is critical. We continue to push for greater awareness and innovative schemes that can reach more Ugandans, ensuring that retirement savings become a norm rather than an exception.

## Give us a brief overview of URBRA's mandate and functions.

URBRA regulates retirement benefits schemes in Uganda both private and public. Our mandate comes from the URBRA Act, Chapter 232. We license and supervise schemes that collect contributions from employees.

To date, we've licensed over 64 schemes, including mandatory ones like the Parliamentary Pension Scheme and Makerere University Retirement Benefits Scheme, as well as voluntary occupational and umbrella schemes.

We also conduct risk-based supervision, protect members' benefits through a complaints unit, and carry out sensitization to encourage Ugandans to save for retirement.

Currently, the Retirement Benefits Sector Performance Report 2025 -an annual sector report by URBRA indicates that the total assets have grown 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 increases from 12.2 percent to 13.6 percent. This is a great milestone with the sector.

## What would you consider the most significant regulatory milestone since URBRA's establishment?

One of the biggest milestones has been bringing previously unlicensed schemes into compliance with our regulatory framework.

We now have over 12 regulations under the URBRA Act that set clear rules for trustees and service providers. This has

improved efficiency and members can now access their benefits faster, sometimes within days or even hours.

We've also guided investment practices to safeguard members' money and encouraged the growth of informal sector schemes, enabling self-employed Ugandans to save for retirement.

## What are the key challenges still facing the sector?

Coverage remains the biggest challenge. Only about 18 percent of Uganda's working population is enrolled in retirement benefits schemes. Expanding this coverage especially to informal workers is critical.

URBRA continues to push for greater awareness and innovative schemes to ensure retirement savings become a norm rather than an exception.

## What are the key factors affecting coverage, and how is the regulator addressing them?

The first factor is lack of awareness. Many Ugandans believed saving required large sums, so they didn't participate. URBRA has intensified sensitization campaigns to show that small, consistent contributions can make a real

difference.

The second is the dominance of the informal sector. With irregular incomes, workers need flexible schemes.

URBRA has licensed products that allow contributions to rise in good seasons and fall in lean ones, while still building long-term savings.

Trust was another issue. Before regulation, misuse of members' money discouraged saving. Strong oversight, strict laws, and penalties have restored confidence in licensed schemes.

Finally, technology has boosted participation. Mobile money and digital platforms now make saving easier and more convenient, eliminating the need to visit banks.

## What other significant challenges remain, and what recommendations do you propose?

Attitude is still a hurdle. Some people prioritize immediate needs over long-term savings, especially those with low incomes who struggle to afford daily meals.

For them, saving feels unrealistic.

Another challenge is the lack of incentives. In countries like Rwanda, governments encourage saving by matching

contributions in the informal sector. URBRA believes similar measures such as matching contributions or offering tax exemptions could motivate Ugandans to save more.

Tax treatment is also an issue. While employer contributions are tax-exempt, individual member contributions are not.

Additionally, investments made by schemes are taxed at multiple stages, eroding savings.

Harmonizing the tax system by taxing only at payout would encourage savings and strengthen domestic capital for government borrowing.

Finally, ignorance and competing priorities remain barriers.

Many Ugandans still do not fully appreciate the importance of retirement savings, and limited incomes force them to focus on immediate expenses.

Addressing these challenges requires continued sensitization, policy reforms, and innovative incentives to expand coverage beyond the current 18 percent of the working population.

## What are the main challenges currently facing the pension sector?

Ms Faith Nansasi Wasswa says only about 18 percent of Uganda's working population is enrolled in retirement benefits schemes. Expanding this coverage especially to informal workers is critical. PHOTO/RACHEAL NABISUBI

The pension sector is facing several challenges, including a lack of public awareness about the importance of regular contributions, insufficient tax exemptions, and limited matching contributions.

Many potential contributors may not fully appreciate the benefits of contributing, even if the amounts are small.

## What solutions can help address these challenges?

There are several recommendations to enhance the pension sector:

**Tax Exemptions and Matching Contributions:** Increasing tax exemptions for contributions and introducing matching contributions could incentivize regular savings.

**Public Sensitization:** Ongoing campaigns to educate the public about the importance of pension savings and the impact of regular contributions are essential.

**Utilization of IT Systems:** Implementing digital platforms can make it easier for individuals to contribute from anywhere and check their account balances, which can motivate them to save more.

**Mid-term Access to Funds:** Introducing policies that allow contributors to access a portion of their funds could encourage individuals to save. For instance, allowing access to 30 percent of their savings for urgent needs while locking up the rest for retirement can provide flexibility.

**Innovative Products:** Developing pension products tailored for various life stages, such as maternity packages and children's savings plans, could increase participation.

## WHAT IS URBRA'S VISION FOR THE NEXT 20 YEARS?

Our strategic plan (2025-2030) envisions a secure, vibrant, and inclusive sector. We want every Ugandan formal and informal workers alike—to save conveniently, access balances easily, and benefit from technology-driven services. Pension savings should fuel infrastructure development while ensuring individuals retire with dignity and security.

