

**For Immediate Release: November, 21<sup>st</sup> 2018**

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### **NSSF introduces plan for members to continue earning upon retirement**

**Kampala, Wednesday November 21 2018** – National Social Security Fund has today announced a benefits payment plan that will allow qualifying members to retain part of their savings with the Fund at the point of exit to avoid depletion of their life savings within a short period.

The plan, dubbed NSSF DrawDown Plan, will initially be eligible to members who qualify for Age Benefit (paid to members that attain the age of 55 years); Withdrawal Benefit (paid to members who attain 50 years but have been out of employment for a period of one year and to contributing member who joins employment categories that are exempted i.e. have their social protection schemes that are recognized under the existing law and are exempted from contributing to NSSF).

Speaking to media at the launch of the plan, Patrick Ayota the Fund's Deputy Managing Director said the plan was designed to improve income security for members during retirement. "We have received several requests from qualifying members to pay them a portion of their savings and pay them the balance in instalments as they finalize their investment plans for the large sums saved." Ayota said.

"Drawdown plan was further informed by a survey we conducted amongst 45- 60 year old members where 62% said they would consider the payment of their benefits in instalments rather than receiving them in a lumpsum." He added.

According to an earlier internal survey by the Fund, more than 70% of the beneficiaries had depleted their savings received from the Fund within two years, and most wished they had had an opportunity to receive their savings in installments.

With the new payment plan, members now have a cushion against losses that may arise due to rushed investment decisions as well as have an opportunity to maintain a cash flow pattern that they may have been familiar with while still in employment.

In addition, members that join the plan will receive annual interest on their balances retained by the Fund in line with the interest that will be declared by the responsible minister in a given year.

However, the plan doesn't guarantee that one will not outlive their income payments. Ayota clarified that the amounts that will be received by members on the plan and the times they will be paid will be dependent on their savings pot until they attain 60 years of age.

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## **ABOUT NSSF**

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*The National Social Security Fund (NSSF) Uganda is a multi-trillion Fund mandated by Government through the NSSF Act, Cap 222 (Laws of Uganda) to provide social security services to employees in the private sector.*

*NSSF is the most profitable, trustworthy, efficient, secure, innovative and dynamic social security provider that guarantees safety, security and a competitive return on members' savings, delivering an annual return of investment of over 2% above the 10-year inflation average.*

*The Fund manages assets worth over UGX 9.98 trillion invested in Fixed Income, Equities and Real Estate assets within the East Africa region.*

*As the largest Fund in East Africa by value, we have the ambitious goal of growing our Assets Under Management to 20 trillion by 2025.*

*Since 2012, the Fund is regulated by the Uganda Retirement Benefits Regulatory Authority while Minister of Finance, Planning and Economic Development is responsible for policy oversight.*

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