



THE EXIT POLICY OF THE PUBLIC SERVICE COMPUTATION OF RETIREMENT BENEFITS

MINISTRY OF PUBLIC SERVICE.

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Structure of the Presentation

- Introduction;
- Modes of exiting the Public Service;
- Computation of pension benefits
- Conclusion.



What is pension

- Pension in the Public Service is a steady and regular income paid to a person, usually after retirement
- In **Uganda's Context pension is** paid from the Consolidated Fund.
- To qualify for pension therefore a Public Officer must:
 - be **confirmed** in the service,
 - **must retire** under pensionable circumstances.



Legal framework for paying pension

- ❑ Article 254 of the 1995 Constitution of Uganda;
- ❑ ILO Convention, 102
- ❑ Article 22 of the UN Bill of Rights (1948) identifies pension as a right
- ❑ The Pensions Act Cap 281 & Amendment 286; Regulations thereof;
- ❑ The UPDF Act, Cap 298 of 2005;
- ❑ The Local Governments Act, 1997;
- ❑ The Public Service Act;
- ❑ The Public Service Standing Orders, 2021;
- ❑ Administrative Instruments and Circular Standing Instructions issued from time to time; CSI, Statutory Instruments, Manuals, Guidelines

Modes of Exit from the Service

- Mandatory Retirement (60 years)
- Early Retirement
 - a) 45 years with 10 years of service
 - b) 20 years of service regardless of age
 - c) Medical Grounds
 - d) Marriage Grounds
 - c) Death

Modes of Exit from the Service

- Retirement due to transfer to Other Public Service
- Retirement in Public interest
- End of Contract retirement
- Abandonment of duty
- Resignation
- Dismissal
- Leave without pay

Calculation of Pension and Gratuity

| Benefit | Formula |
|---------------------------|--|
| Full Pension | $\frac{\text{Length of service X Annual Basic Salary}}{500}$ |
| Commuted Pension Gratuity | $\text{Full Pension (P)} \times \frac{1}{3} \times 15$ |
| Reduced Monthly Pension | $\text{Full Pension (P)} \times \frac{2}{3} \times \frac{1}{12}$ |

Other pension formulae

| Mode of retirement | Computation |
|-------------------------------|--|
| Abolition of Office | Pension = $\frac{\text{LS} \times \text{Annual Salary}}{500} + 25\%$ |
| Death Gratuity | 1). Annual Salary x 3 OR 2). $\frac{\text{LS} \times \text{Annual Salary}}{500} \times 15$ Pay the higher of the two. |
| Marriage gratuity | $\frac{\text{LS (Months)} \times \text{Annual Salary}}{500} \times 5$ |
| Short Service Gratuity | $\frac{\text{LS (Months)} \times \text{Annual Salary}}{500} \times 10$ |
| | |



Requirements for processing Pension

- ☐ Application for retirement thru supervisor – 6 months in advance. – for voluntary and normal retirement.
- ☐ Letter of first appointment.
- ☐ Letter of confirmation.
- ☐ Letters of promotion.
- ☐ Last salary payslip.
- ☐ Pension forms NS 7 (for bank details)
- ☐ Pension form NS 20 (For any debt recovery)
- ☐ Pension form PSF 18 (for mandatory retirement).



Requirements for processing Pension

- ☐ Pension form PSF 19 (for contract)
- ☐ Pension form PSF 20 (for death)
- ☐ Certificates (Teachers)
- ☐ Attestation papers (police & prisons)
- ☐ Pensions form (for Military Widows and Orphans)
- ☐ Death certificate (In case of death benefits)
- ☐ Letters of Administration (In case of death cases)
- ☐ Estates Account (in case of death benefits)
- ☐ Bank Statement



Role of Stakeholders In Processing Pension



Individual Staff

- Providing information required to update active service record prior to retirement.
- Initial application for retirement and processing of retirement benefits.
- Filling of Pension forms e.g PSF18, NS7, NS20B, etc.
- Submission of all documentation to the HR to commence processing of benefits
- Filling of Life certificates in retirement



Role of Votes of retirement



- Planning and Budgeting for retirement benefits.
- Processing of retirement benefits
- Verifying pension payroll & any other related payments;
- Payment of retirement benefits
- Updating the pensioners' records as deemed necessary & providing information to pensioners & beneficiaries
- Preparing and submitting reports on processing and payment of pension and gratuity;
- Attending to any issues relating to retirement benefits.
- Conducting pre and post retirement training



Role of the Pensions Authority



- Granting requests for early retirement and retirement on marriage grounds;
- Varying some conditions/provisions of the Pensions Act;
- Guiding on the provisions of the Pensions Act
- Issuing guidelines and regulations to implement the Act;
- Overall guidance and support in implementing the decentralization of pensions;
- Management of the pension payroll database, and running of system upgrades to generate the payroll;
- Functional and technical support to votes.



Ministry of Finance



- Providing funds for payment of retirement benefits based on budgets from votes



Way Forward

- “The best time to start thinking about your retirement is before the boss does.” Start the process early.
- Ensure that your career records are consistent and correct
- Remember to exit the Public Service through pensionable circumstances to protect pension rights.
- Pension benefits may not be sufficient. Think about complimentary income
- Government of Uganda is committed to ensuring that retired officers live a decent life through providing adequate, timely and affordable benefits.



Thank You

