

A GUIDE TO THE PUBLIC  
SERVICE PENSIONS  
MANAGEMENT

October, 2006

### **What is this booklet about?**

A guide to public service pension's management focuses on the services offered by the Ministry of Public Service in the payment of terminal benefits. It highlights the processes an application for terminal benefits goes through before it is paid. In addition, the booklet provides worked examples of computations of various terminal benefits.

### **What are terminal benefits?**

Terminal benefits are monies that a public officer is entitled to, as a result of termination of services that they have rendered to the Public Service.

### **What is Pension?**

Pension is a steady and regular payment made to a person, usually after retirement or end of contractual terms. In the Public Service, this payment is drawn from the Consolidated Fund and is paid to public officers who retire from the Public Service.

### **Under what conditions does a public servant qualify for pension?**

A public officer qualifies for pension:

- On abolition of office.
- On compulsory retirement to facilitate improvement in the organization of the department to which the officer belongs..
- On being unable to work on medical grounds. When an officer is incapable physically or mentally to carry out duties of his/her office and when such inability is likely to be permanent.
- When an officer writes to the Public Service, with the written consent of the President and on the advice of the Public, Judicial or Education Service Commission.
- Where an officer is removed from the Public Service in the public interest irrespective of the age of the officer at the time of removal, provided the officer has completed 10 years of service on permanent and pensionable terms.
- When a serving officer attains the age of forty-five years after a period of ten years of continuous service.

- On successful completion of twenty years continuous service in a pensionable appointment.
- On mandatory retirement of an officer who has attained the age of sixty years (60 years).
- For a female officer who resigns, or retires on marriage if she has served for a continuous period of five years.
- In case of Police and Prisons, officers below the ranks of Assistant Inspector and Principal Officer respectively, they must have served for at least 13 years.
- A member of the Police or Prisons force who attains 55 years of age; or may retire regardless of age on successful completion of 20 years in continuous service.
- On expiry of contract as per the terms of the contract agreement.

#### **Who is entitled to payment of pension?**

A public officer who, or through a legal representative in the case of death, serves and retires under any of the above pensionable circumstances.

#### **How is pension calculated?**

Terminal benefits are computed according to the type of benefits.

##### **a) On abolition of office**

A public officer who retires on abolition of office receives pension plus an additional award equivalent to 25% of the pension. The officer will, in addition receive the following benefits;

- a) Severance pay in accordance with fixed annual benefit rates.
- b) Repatriation expenses at a rate of Ug Shs.2,000 per kilometer from duty station to home town. Ug.Shs.200,000/= lump sum to cover costs between district headquarters and home village.
- c) Six months pay in lieu of notice.(Six months gross salary).The period of notice runs concurrently with outstanding leave.

### **Commuted Pension Gratuity (CGP)**

This is an advance payment of pension to the pensioner. It is equivalent to 1/3 of 15 years pension on the retirement. This is paid upon approval of the public officer's pension benefits.

### **Contract Gratuity**

Contract gratuity is computed at the rate stipulated in the contract agreement between the officer and the Government.

### **Death Gratuity**

Death gratuity is payable to legal representatives of a deceased public officer, if such a Public Officer was holding a pensionable office and was confirmed in his/her appointment. It is computed by multiplying the deceased public officer's annual salary at the time of death by three, or by calculating the deceased officer's would-have-been Commuted Pension Gratuity whichever is greater. Note that all submissions are made on the same forms as in the case of payment of pension.

### **Marriage Gratuity**

Marriage gratuity is paid to female public officers who retire on marriage grounds. It is computed by multiplying the total number of months served by the annual salary on retirement

and then dividing by the pensions constant of one 500<sup>th</sup>, for up to 5 years.

### **Survivor's Benefits**

The benefits are paid, when a pensioner dies before the expiry of fifteen years after the date of his/her retirement. The payment is made to the spouse and children for the remaining period up to 15 years or in case of the death of a serving public officer for a period of 15 years following the death.

### **Uganda Peoples Defense Forces Widows & Orphans**

The spouse of a deceased soldier is paid a death gratuity equivalent to 12 months salary of the deceased. In addition, the spouse is paid survivors pension equivalent to three quarters of the deceased soldier's salary upon death or remarrying.

Survivor's pension equivalent to 1/3<sup>rd</sup> of the widow's pension is paid to each orphan up to a maximum of six orphans who are below 21 years old. In the absence of a widow, survivor's pension equivalent to 1/6<sup>th</sup> of widow's pension (times two) is payable to the guardian in respect of each orphan.

### **Short Service Gratuity**

This gratuity is paid to public officers who are retired in the public interest or on medical grounds provided they had completed the 10 years pensionable service.

### **Gratuity for Police and Prisons officers**

A police officer who retires below the rank of Assistant Inspector, or in the Prisons Service below the rank of Principal Officer and has served for 12 years or more receives gratuity not exceeding 25% total emoluments.

### **How are terminal benefits processed?**

A public officer submits an application letter for retirement through his/her respective Permanent Secretary or Head of Department, to the Permanent Secretary, Ministry of Public Service. The application for retirement should be submitted at least six months before the intended time of retirement.

The Permanent Secretary Ministry of Public Service writes back to accept or reject the retirement of an officer. In case of acceptance the officer is provided with Pensions Form NS25A. The officer's Ministry or Department then submits to the Ministry of Public Service Pensions forms, NS Form 14, 20B,

25B and NS2 duly completed reflecting detailed particulars of service of the public officer.

### **What information should a pensioner or a legal representative of the pensioner provide while applying for terminal benefits?**

A pensioner or a legal representative of the pensioner should attach to the submission from the Ministry the following documents:-

- i. Copies of appointment, confirmation and promotion letters.
- ii. Copy of the latest pay slip
- iii. In case of teachers the following should, in addition be attached;
  - a. a copy of the teacher's registration certificate
  - b. Details on submission paper
  - c. Form ED/P/P4
  - d. Education Form P.I
- iv. Form NS7 filled by the applicant
- v. Pension Form NS2 duly filled.
- vi. In case of officers serving on contract a copy of an annexure of an endorsed contract agreement.
- vii. In the case of death gratuity, a death certificate.

- viii. In case of Gratuities for Police and Prisons Officers,  
Copies of Attestation Papers.

The submitting officer from the Claimant's Ministry/  
Department or District must then fill in information about the  
claimant on the following pension forms:-

NS Form 13(for officers serving on contract)

NS Form 14 (for Officers on pensionable terms)

NS Form 20B

NS Form 25B

NS Form 7

These forms are available free of charge, in the Ministries,  
offices of the Chief administrative Officers and in the Ministry  
of Education and Sports or in the Compensation Department  
of the Ministry of Public Service.

### **Contract Gratuity**

Submissions for contract gratuity are made on NS Form 13  
and are accompanied with the following documents:-

- i. A copy of a letter of offer of appointment on contract.
- ii. A copy of a duly signed annexure of the Contract  
Agreement form.
- iii. A copy of the latest pay slip.

- iv. Pension Form NS20B

### **Death Gratuity:**

In the case of members of the UPDF, the spouse contacts the  
RDC's office and gets UPDF/RDs/13A (Revised) to fill. The  
completed form is forwarded to the UPDF headquarters before  
being submitted to the Pensions Assessment Board of the  
Ministry of Defence. The Board verifies the records and  
accordingly awards survivors' pension.

In all cases of death gratuity, claimants should bring evidence  
of death, such as death certificates, L.C.1 letter confirming  
death and letters of administration from courts of law.

The payments made by the Administrator General follow the  
following procedures;

- A. The deceased Public Officer's representative(s) or  
relative(s);
  - i. Obtain a death certificate or letter or an L.C1  
letter of the village where the deceased was  
living, to confirm the death.

- ii. Pay Shs. 2000/= to the Administrator General's Cash Office for a file folder and death report form.
  - iii. Complete a death report form indicating;
    - Names of the deceased
    - Date of the death
    - Name of the deceased's spouse(s)
    - Names and age(s) of the deceased's children
  - iv. Submit the death report form together with a will and a family Resolution, where these exist.
- B. The Administrator General processes the payments, distributes and disburses the benefits as follows:
- i. Widow(s)/widower receives 15%
  - ii. Customary heir - 1%
  - iii. Dependant relatives (equally receive) – 9%
  - iv. Children of the deceased(equally receive)- 75%
- C. Payment by the Administrator General's Office is normally by crossed cheques but there are cases when payments will be made by cash e.g., to assist the

claimant(s) to open bank accounts, to settle school fees, medical expenses, overseas travel costs.

- D. The deceased public officer's representative(s) may seek and obtain from the administrator General a certificate of NO OBJECTION to Administer the estates of the deceased Public Officer. They will take this letter to the courts of law to obtain the Letters of Administration of the Estates.

### **Survivors' benefits**

In order to benefit from survivor's benefits, the claimants have to bring proof of death and letters of administration of the estate of the deceased pensioner or public officer, in all cases.

### **How long does it take to receive the terminal benefits?**

In order to be more accountable and customer centered for what it does, the Ministry of Public Service has agreed on the following Standards of Service:-

- i. Monthly pension will be paid by the 28th day of each month.
- ii. Applications for terminal benefits are acknowledged within 14 days.

- iii. Claims are assessed and advice of award of pension issued within 30 days.
- iv. Payments are effected within 90 days from the time of issuance of award of pension.
- v. Cheques are issued and dispatched within 14 days after receipt from the the Ministry of Finance, Planning and Economic Development.
- vi. Severance and repatriation benefits are paid within 60 days following the date of compulsory or voluntary retirement.

The achievement of these standards assumes that all the required documents are correct, duly completed and promptly submitted.

**When is a submission for terminal benefits queried?**

A submission for terminal benefits may be queried due to the following reasons:

- Incomplete NS forms
- Absence of authentic documentation (original copies of appointment, confirmation, promotion and transfer letters)
- Inconsistencies in claimant details (Names, dates of birth, death and pay slips.)

- Duplicate and or multiple submissions.

**Is there any fee charged for processing pension and other terminal benefits?**

Processing of pension and other terminal benefits is free of charge.

**What causes delays in the payment of terminal benefits?**

- Delayed submission of claims by pensioners or a legal representative of the pensioner
- Insufficient supporting documents
- Insufficient funding

**What laws govern the Pensions Management?**

Article 254 of the Constitution of the Republic of Uganda, Pensions Act (CAP 286) for the Traditional Civil Service and Local Administration as well as the Uganda Peoples Defense Forces Act of 2005 facilitate the pensions legislation. Urban Authorities' pension schemes are administered in accordance with the Municipalities and Public Authorities Provident Fund Act (CAP 291).

**Who should be contacted in case of any enquiries or suggestions?**

Clients are advised to contact personnel officers of their respective ministries, departments and or agencies before they proceed to the Ministry of Public Service. Alternatively, they may contact the Permanent Secretary, or the Commissioner Compensation Ministry of Public Service on the contact details below;

**Physical:** The Ministry of Public Service

Plot 12, Nakasero Hill Road

**Postal:** P.O. Box 7003, Kampala

**Telephone:** 256-41 250534/5/6

**Fax:** 256-41 255463

**E-mail:** [public@publicservice.go.ug](mailto:public@publicservice.go.ug)

**Website:** <http://www.publicservice.go.ug>