

# Makerere retirement scheme launches annuity plan

By Betty Amamukirori

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An Annuity Plan helps one get regular payment for life after making a lump sum investment

*Makerere University Vice Chancellor Barnabas Nawangwe (left) and University Council vice president Dan Kidega (cutting tape with other members at the launch of the performance report of Makerere University Retirement Benefit Scheme (MURBS) for the finance year 2018/19. Photo by Sylvia Katushabe*

**Makerere University Retirement Benefits Scheme (MURBS) has launched an annuity plan for its members to enable them to continue getting a regular stream of income through their retirement period.**

MURBS has partnered with the Insurance Company of East Africa (ICEA) to give the University staff who are saving with the scheme an opportunity to invest their benefits in a lump sum in annuities, such that they continue earning in their retirement.

An Annuity Plan helps one get regular payment for life after making a lump sum investment. Once one invests his benefits in a lump sum, the company invests that money and pays back the returns generated from it.

According to the ICEA Chief Administrative Officer, Emmanuel Mwaka, payment mode is determined by the person investing their benefits.

One can choose to be paid annually, quarterly or monthly. He also determines the number of years the payment should last but they are allowed to sign up for up to 20 years. The plan also covers one's spouse.

He said the plan will enable one to get a steady stream of income until their death, and in case one dies before the end of the payment plan, the balance is paid to their next of kin.

The plan was launched on Friday during an event held at the Senate building, Makerere to announce the scheme's financial performance for the financial year 2018/19.

Prof. Barnabas Nawangwe lauded the plan and reminisced how he lost his savings after withdrawing them from the National Insurance Corporation (NIC) and investing it in poultry farming.



“I travelled and when I came back. My nephew who was looking after the birds told me that they were going to die. So he sold them wholesale to some trader in Owino who instead took the birds and disappeared without paying,” he said.

He noted that by introducing a plan that promises a steady stream of income to retirees, many will be saved from losing their benefits in bogus investments.

“As we strive to ensure that Makerere makes the right contribution to the country, we want to ensure that our people leave a comfortable life. When people are comfortable that their money is safe, they will relax and concentrate on their duties,” he said.

Chris Kananura, the manager Insurance at Insurance Regulatory Authority (IRA) noted that annuity comes at a time when many are retiring and spend their money within the first two years of retirement and then resign to poverty.

He said that the plan will help reduce anxiety among employees who are about to retire and it will make retirement a much comfortable vacation.

However, he noted that though they welcome the plan, they are watching closely to ensure that Insurance Companies do not exploit the retirees.

Martin Nsubuga, the CEO Uganda Retirement Benefits Regulatory Authority (URBRA) said once a retiree has an assured cash flow, they enjoy their retirement.

“Annuity is something we should all aspire for. Most people who have done retirement investments have not been successful,” he noted.

Dan Kidega, the deputy Chairperson of Makerere University Council noted that anxiety due to the fear of retiring into poverty has led many retirees to contract illness such as diabetes and high blood pressure.

To avoid this, he called on the Makerere University staff to invest their benefits in annuities.