



Global Context and Universal Pension Scheme

Pension ensures the future financial security of a citizen. Various countries around the world have been able to ensure the future financial and social security of their citizens by implementing pension systems. Governments of different countries have introduced various strategies and pension schemes to ensure the financial security of senior citizens. These strategies and systems depend on the economic condition of the countries and the international context. In recent years, the global economy and international trade have undergone unprecedented changes. Lockdowns and disruptions in global supply chains during the coronavirus pandemic have led to economic recession around the world. Subsequently, the economic crisis deepened globally due to the Russia-Ukraine war. As a result, developing countries like Bangladesh are facing multifaceted economic challenges.

Most developing countries are striving to reduce their reliance on foreign aid and focus more on domestic income sources. Bangladesh has also placed special emphasis on increasing internal revenue income and promoting frugality in government spending to sustain its development growth. Increasing the domestic revenue is also essential for Bangladesh to achieve sustainable development goals. Since the independence of Bangladesh, a non-contributory defined benefit pension system has been in place for government employees. However, since the majority of the population remains outside a sustainable and well-organized pension framework, a universal pension has been introduced under the Universal Pension Management Act. By including people of different classes and professions in the pension framework through the universal pension scheme, it will be possible to ensure social security for the people of the country, as well as future financial security. As a result, there will eventually be an opportunity to reduce spending in the social security sector. Currently, four schemes are in operation under the Universal Pension Scheme. People can voluntarily participate in all these schemes. By increasing participation in these four schemes, it will be possible to bring most of the country's population under the pension system. The National Pension Authority has continued multifaceted activities to increase people's participation in these schemes.

According to the Labor Force Survey 2022, about 85% of the total labor force in Bangladesh is employed in the informal sector. A large number of citizens have hardly any future financial security as they work in the informal sector. Bangladesh is currently getting the benefits of a large working-age population due to the demographic dividend. However, within the next two decades, the elderly population in Bangladesh is expected to increase significantly. In that case, keeping senior citizens outside of financial security will make it difficult to build Bangladesh as a welfare state in the future. According to the United Nations, in 2020, the global population aged over 65 years was 727 million. At current rates, this number is expected to double by 2050, with 1 in 6 people projected to be 65 years or older. Due to this crisis, both developed and developing countries around the world have already transitioned from a defined benefit pension system to a defined contribution pension system. In this system, a citizen or employee contributes to the state pension fund on a monthly basis to ensure their future financial security. He secures his life by taking pension from the government after retirement or old age based on the profit from his accumulated money. Many countries in Southeast Asia including Japan, South Korea, Thailand, Malaysia, and Indonesia have introduced contributory pension systems.

The government has established the National Pension Authority to implement the Universal Pension Scheme and ensure the proper management of the pension fund. Four voluntary schemes have been introduced, namely the Probash Scheme for Bangladeshi citizens living in the diaspora, the Pragati Scheme for employees working in private institutions, the Shurakkha Scheme for self-employed citizens, and the Samata Scheme for the poor people in the country. Through the universal pension scheme, the future financial and social security of the people of the country will be assured and integrated, which will be one of the driving forces in building a developed and prosperous Bangladesh.



Universal Pension Scheme
To register, visit:
www.upension.gov.bd



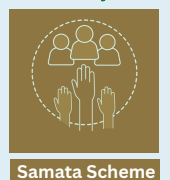
Probash Scheme



Pragati Scheme



Surokha Scheme



Samata Scheme

Enroll in Universal Pension Scheme
Ensure your future financial security.

Up-to-date information of the Universal Pension Scheme fund

Since the commencement of operations of the Universal Pension Scheme on August 17, 2023, registration has begun for four schemes, namely Samata, Shurakkha, Pragati and Probash. As of September 18, 2024, the number of registrants is as follows: Samata 285,817, Shurakkha 63,125, Pragati 22,332, and Probash 894; the total number of registrants is 372,168. The total amount deposited is 1,256,696,500. In order to expedite the registration process, the National Pension Authority has linked all Union Digital Centers in the country to the registration system, and in addition to the four banks previously signed with (Sonal Bank, Agrani Bank, City Bank, and BRAC Bank), MOUs have been signed with eight more banks to ensure that registrants can easily submit their subscriptions. Apart from banks, MOUs have also been signed with Mobile Financial Services Nagad and bKash. A total of BDT 12,499,555,670 has already been invested in government treasury bonds of various tenures to ensure the protection of the money deposited in the pension fund while also securing investments in sectors with the highest returns. As a result, the money invested in the pension fund is fully protected, and the maximum monthly pension availability is ensured based on investment profits.

Universal Pension Fund (Investment & Preservation) Regulations 2024

The main feature of this program is the 'Contributory Funded Pension System,' launched with four different schemes for Bangladeshi citizens of various classes and occupations under the 'Universal Pension Management Act, 2023,' aimed at integrating the elderly population into a sustainable and well-organized social security structure. Voluntary registrants in these schemes will be entitled to a lifetime monthly pension at the prescribed rate upon reaching the pensionable age, provided they have paid a fixed monthly contribution for a specified period. The corpus account of the registered individual will be established based on the profit earned from the investment of their monthly deposits, and the monthly pension will be determined based on the total deposits. Therefore, the investment of monthly deposits is a critical matter, and to ensure this activity is carried out with foresight, professionalism, and transparency, the Finance Division issued the Universal Pension Fund (Investment and Protection) Rules on July 3, 2024. The said rules outline the formation of a specialized fund management committee for the purpose of investment management and the identification of profitable and low-risk investment sectors to ensure maximum returns.

Sectors targeted for investment of funds are as follows:

- Government treasury bonds, treasury bills, other government securities, such as Sukuk, etc.;
- Fixed deposits in any scheduled bank rated "AA" for the long term and "ST-1" for the short term, or with an equivalent rating by a recognized local or international rating agency;
- Mutual funds approved or regulated by the Bangladesh Securities and Exchange Commission, and listed "A" category bonds;
- The security of any project, whether planned, under implementation, or already implemented by the Government of Bangladesh or any government agency for infrastructure development.

According to the investment rules, the funds cannot be invested in any privately owned company or outside Bangladesh. Investment in any single sector, excluding government securities, shall not exceed 25% of the total funds. Under the Investment Rules, the 'Fund Management Committee,' chaired by Member (Fund Management) of the National Pension Authority, will recommend investments in profitable sectors, take care of all investment-related matters, and inform the National Pension Authority about the activities to be undertaken. The other members of this committee are representatives of the Finance Division, Ministry of Finance, Chairman of the Finance Department of Dhaka University, Director of Bangladesh Bank, and Director of the Securities and Exchange Commission. In this process, besides securing the deposits of the customers, investment in higher return sectors will be ensured, and maximum monthly pension availability based on investment profits will also be guaranteed.

Investment Rules



Universal Pension Scheme Act and Rules

- 31 January 2023, the "Universal Pension Management Act, 2023", was passed by the National Assembly.
- 02 April 2023, the notification regarding the "Establishment of National Pension Authority" was issued.
- 18 May 2023, the Notification on constituting the Pension Board of Directors was issued.
- 18 May 2023, the Regulations relating to the tenure and conditions of service of the Executive Chairman and members of the National Pension Authority, 2023 were promulgated.
- 13 August 2023, the Universal Pension Scheme Rules, 2023 was issued.
- 13 March 2024, amendments to the Universal Pension Scheme Rules were issued.
- 03 July 2024 the Universal Pension Scheme Fund (Investment & Protection) Rules, 2024, were issued.
- 07 August 2024, amendments to the Universal Pension Scheme Rules were issued.

National Pension Authority Signs Memorandum of Understanding with Eight Commercial Banks



To enhance the number of subscriber and ease of registration in the universal pension scheme activities, the National Pension Authority signed a memorandum of understanding with eight commercial banks on July 3, 2024, in the conference room of the Finance Division. The banks are - Bangladesh Krishi Bank, Janata Bank PLC, Rajshahi Krishi Unnayan Bank, Prime Bank PLC, Dutch-Bangla Bank PLC, Eastern Bank PLC,

Rupali Bank PLC and Mutual Trust Bank PLC. The Finance Secretary Dr. Md. Khairuzzaman Mozumder attended the MoU Signing Ceremony as the Chief Guest. Managing Directors and CEOs of 8 commercial banks along with Additional Secretary of Finance Division, senior officers of National Pension Authority and senior officers of concerned banks were present. The Executive Chairman of the National Pension Authority Mr. Kabirul Ezdani Khan and the Managing Directors and CEOs of the concerned banks signed the MoU. Through the signing of the MoUs, 8 commercial banks will accept subscriptions from registrants and assist in the registration of individuals in various schemes of the Universal Pension Scheme. Any registrant can deposit their subscription at the counters of these eight commercial bank branches. Branch managers of the banks will also assist customers in registering for the Universal Pension Scheme. Customers can register and also make payments online using the apps provided by these banks.

Union Digital Center (UDC) joins the Universal Pension Scheme registration process

Union Digital Centers (UDCs) have been integrated with the activities of the National Pension Authority to encourage public participation in the Universal Pension Scheme and to bring registration services to people's doorsteps. A circular dated July 3, 2024, under Memorandum No. 123, was issued by the Finance Division to ensure the effective participation of UDC entrepreneurs. As a result, the registration process for the Universal Pension Scheme has commenced at all UDCs across the country. UDC entrepreneurs are providing full cooperation in this regard. UDC entrepreneurs are assisting applicants by filling out the registration forms and confirming the applicable pension scheme in the Universal Pension Scheme. After the registration is completed, they print auto-generated registration cards and provide them to the applicants, while also offering guidance on creating a password for the Pension ID and ensuring the confidentiality of that password. In order to inform the public at large, entrepreneurs have been advised to put up banners in their respective UDCs stating 'Free Universal Pension Scheme Registration Assistance' mentioning all the necessary information for registration in Universal Pension Scheme. Financial incentives will be provided to entrepreneurs for their assistance with the registration process. In order to promote the Universal Pension widely, posters containing information about the Universal Pension Scheme are being sent to the UDCs by the National Pension Authority.



UDC
Circular



Participation of NGOs in the Universal Pension Scheme



A total of 2,620 registered NGOs in Bangladesh are contributing to the country's development while focusing on various socio-economic development goals. The contribution of the NGO sector is highly significant across various social and economic fields, including the development of poor, marginalized, and disadvantaged communities in remote areas, the empowerment of women, and the promotion of sustainable development based on equality. NGOs operating in Bangladesh are also a major sector of employment. To motivate NGOs and relevant stakeholders to participate in the various schemes of the Universal Pension Scheme, the National Pension Authority organizes motivational meetings with different NGO groups, including the NGO Bureau and the Microcredit Regulatory Authority (MRA). In

all these meetings, NGOs and NGO stakeholders expressed their interest in participating in the Universal Pension Scheme. As a result, two large NGOs namely "POPI" and "SKF" officially participated in the Universal Pension Scheme. So far, 92 NGOs have registered including 10 large NGOs. Registration of more NGOs is currently underway.

Roundtable on Insurance and Retirement Savings in Asia



On July 9-10, 2024, Mr. Md. Golam Mostafa, Member(Fund Management) of the National Pension Authority, made a presentation on the Universal Pension Scheme at the OECD-ADBI OJK Roundtable on Insurance and Retirement Savings in Asia seminar held in Yogyakarta, Indonesia.

Four Schemes of Universal Pension Scheme



Progoti Scheme

I work in the private sector, I am also in the pension scheme.

Monthly Contribution Rate	BDT 2,000	BDT 3,000	BDT 5,000	BDT 10,000
Total deposit tenure (in years)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)
42	68,391	1,03,396	1,72,327	3,44,655
40	58,400	87,601	1,46,001	2,92,002
35	38,374	57,561	95,935	1,91,870
30	24,932	37,398	62,330	1,24,660
25	15,910	23,864	39,774	79,548
20	9,854	14,780	24,634	49,268
15	5,789	8,683	14,472	28,944
10	3,060	4,591	7,651	15,302

This scheme is for the owners and employees of private entities. One can join this scheme either institutionally or led by one's own initiative. When joining the scheme as an organization, the employee will cover 50% of the scheme contribution, with the remaining amount covered by the organization. The monthly deposit amount is BDT 2,000, 3,000, 5,000, and 10,000.



Samata Scheme

The Samata Scheme assures, Government will provide assistance

Monthly Contribution Rate	BDT 1,000 (BDT 500 by Contributor + BDT 500 as Government contribution 500)
Total deposit tenure (in years)	Probable Monthly Pension (BDT)
42	34,465
40	29,200
35	19,187
30	12,466
25	7,955
20	4,927
15	2,894
10	1,530

This scheme is for low-income citizens living below the poverty line (whose income is less than BDT 60,000 per annum). The monthly subscription rate under the Samata Scheme is BDT 1,000 of which the deposit amount for the subscriber is BDT 500 and the remaining BDT 500 will be paid by the government.



Probash Scheme

Participate in Probash scheme, enjoy a beautiful life upon return

Monthly Contribution Rate	BDT 2,000	BDT 5,000	BDT 7,500	BDT 10,000
Total deposit tenure (in years)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)
42	68,931	1,72,327	2,58,491	3,44,655
40	58,400	1,46,001	2,19,001	2,92,002
35	38,374	95,935	1,43,902	1,91,870
30	24,932	62,330	93,495	1,24,660
25	15,910	39,774	59,661	79,548
20	9,854	24,634	36,951	49,268
15	5,789	14,472	21,708	28,944
10	3,060	7,651	11,477	15,302

Bangladeshi citizens working or staying abroad can participate in this scheme by depositing the contribution in foreign currency or from the bank account to which they transfer remittances in Bangladesh. Pension will be paid in local currency upon the pension scheme tenure is over. If someone does not have a national identity card may register with passport information. The monthly deposit amount is BDT 2,000, 3,000, 5,000, and 10,000.



Surokkha Scheme

Farmers, laborers, fishermen, weavers, all of us are pension receivers

Monthly Contribution Rate	BDT 1,000	BDT 2,000	BDT 3,000	BDT 5,000
Total deposit tenure (in years)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)
42	34,465	68,931	1,03,396	1,72,327
40	29,200	58,400	87,601	1,46,001
35	19,187	38,374	57,561	95,935
30	12,466	24,932	37,398	62,330
25	7,955	15,910	23,864	39,774
20	4,927	9,854	14,780	24,634
15	2,894	5,789	8,683	14,472
10	1,530	3,060	4,591	7,651

This scheme is for self-employed persons. People engaged in all informal sectors including farmers, rickshaw pullers, laborers, blacksmiths, potters, fishermen, weavers, shopkeepers, traders, and housewives may join these schemes by depositing their contribution at the prescribed rate. The monthly deposit amount is BDT 1,000, 2,000, 3,000, and 5,000.



Monthly Contribution Rate	BDT 2,000	BDT 3,000	BDT 5,000	BDT 10,000
Total deposit tenure (in years)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)	Probable Monthly Pension (BDT)
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15	5,789	8,683	14,472	28,944
10	3,060	4,591	7,651	15,302

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Total deposit tenure (in years)	Probable Monthly Pension (BDT)
42	34,465
40	29,200
35	19,187
30	12,466
25	7,955
20	4,927
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