

CHAPTER 285

THE MUNICIPALITIES AND PUBLIC AUTHORITIES PROVIDENT FUND ACT.

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CHAPTER 285

THE MUNICIPALITIES AND PUBLIC AUTHORITIES PROVIDENT FUND ACT.

Commencement: 6 December, 1951.

An Act to make provision for the establishment of provident funds by public authorities.

1. Interpretation.

In this Act, unless the context otherwise requires—

- (a) “approved scheme” means a provident fund scheme the rules or regulations of which have been approved by the Minister under section 2;
- (b) “bonus” means a sum credited to an individual contributor’s account otherwise than by the contributor or by way of interest;
- (c) “contributor” means a person who is making contributions into a fund of an approved scheme;
- (d) “draft regulations” means the regulations set out in the Schedule to this Act;
- (e) “fund” means the sum total of all contributions, bonuses and interest contributed or paid under the provisions of any approved scheme;
- (f) “public authority” means any municipal council established under the Local Governments Act, and any other authority or association of persons recognised by the Minister by statutory instrument as a public authority for the purposes of this Act.

2. Minister to approve provident fund schemes.

(1) Notwithstanding the Local Governments Act, no public authority shall establish or maintain a provident fund scheme for the benefit of its employees or its members unless the proposed rules or regulations making provision for the establishment of the scheme have been approved by the Minister.

(2) The Minister shall give his or her approval under subsection (1) only if—

- (a) the proposed rules or regulations of the scheme are substantially

in accordance with the draft regulations; and (b) he or she considers the rates of contributions and bonus are in accordance with the best interests of the authority and its employees or members.

(3) The decision of the Minister as to whether or not the proposed rules or regulations are or are not substantially in accordance with the draft regulations shall be final.

3. Amendments to the rules or regulations.

No public authority or board of management of any approved scheme shall amend or alter the rules or regulations in respect of any such scheme without prior approval of the Minister.

4. Amendments to the draft regulations.

(1) The Minister may from time to time by statutory instrument amend the draft regulations.

(2) An amendment shall not affect any of the rules or regulations of any approved scheme in operation at the date of the amendment unless the Minister so orders, in which event due regard shall be had to the existing rights of depositors.

5. Amounts in hand not assignable or liable to attachment.

(1) No contribution in an approved scheme, bonus or interest on the contribution or bonus shall be assignable or transferable or liable to be attached, sequestered or levied upon for or in respect of any debt or claim other than as provided for in subsection (2).

(2) Any sum or sums due by a contributor to a public authority may be deducted from the amount standing to his or her credit in any fund administered by the authority on the closure of his or her account.

6. Funds to be kept in separate account.

(1) Every public authority administering an approved scheme shall keep the fund in respect of the scheme in a separate account and shall pay into the account all contributions so soon as they are paid and all bonus

payments and interest when due.

(2) The monies paid into a fund may be invested in such security or securities as is permitted for the investment of money held on trust.

(3) No fund shall be liable to be attached, sequestered or levied upon but shall be held in trust for the contributors; and in the event of the winding up or dissolution of any public authority that has established a fund under this Act, the funds shall be divided among the contributors in such manner as the High Court shall direct on the motion of the Administrator General.

(4) Nothing in this section shall be deemed to affect any rule or regulation making provision for payment of the expenses of administering a fund being made from out of the fund.

7. Persons prohibited from contributing to two schemes.

Notwithstanding any other provision in this Act, no person shall be entitled to be a contributor in any approved scheme while he or she contributes to any provident fund scheme established under the provisions of any other Act.

8. Schemes under the Provident Fund (Local Governments) Act not affected.

Nothing in this Act shall be deemed to affect any scheme established under the Provident Fund (Local Governments) Act.

9. Provision in respect of the Kampala City Council.

(1) So soon as convenient after the commencement of this Act, the Kampala City Council shall establish a provident fund scheme under this Act.

(2) Notwithstanding section 2(2), the Minister shall not approve any such scheme (hereafter referred to as “the new scheme”) unless the provisions of the new scheme are just and equitable to persons who are contributors to any provident fund scheme in force at the commencement of this Act (hereafter referred to as “the existing scheme”) and unless in the new scheme provision is made—

- (a) for the winding up of the existing scheme and the transfer to the new scheme of the monies, assets and liabilities of the fund of the

- existing scheme;
- (b) for contributors under the existing scheme to become contributors under the new scheme with effect from the date upon which they became contributors to the existing scheme, unless, within such period as may be specified in the new scheme, any such contributor elects to retain his or her rights and liabilities under the existing scheme;
 - (c) for the provisions of the existing scheme to continue to apply to every contributor who elects to retain his or her rights and liabilities under it.

Schedule.

s. 1.

Draft regulations.

1. These Regulations may be cited as the _____
_____ ¹ Provident Fund Regulations, 19 ____ or 20 ____.

2. There shall be established a fund to be
known as _____,² hereafter referred
to
as “the fund”.

3. (1) _____ ³ shall appoint
a
Board of Management of the fund, hereafter called “the board”, which shall
consist of a chairperson and at least four members at least one of whom shall
be a contributor.

(2) The chairperson and members of the board shall hold office for
such time as may be specified in their respective appointments.

(3) The board may regulate its own procedure, including the
provisions for quorum and the appointment of a secretary.

4. (1) The board shall be responsible for the control and
management of the fund in accordance with the Act and these Regulations.

(2) The board shall submit to the _____
³
as soon as is practicable after the 31st day of December in each year a full
audited statement showing the working of the fund and all claims thereof and
containing full particulars of all transactions connected with the working of
the fund.

5. The expenses of management and administration of the fund may
be paid out of the fund, or may be met in such other manner as the
_____,³ with the approval of the
Minister, shall direct.

¹Insert name of regulations.

²Insert name of fund.

³Insert name of administering public authority.

6. (1) Every person who _____
⁴ shall be required to become a contributor to the fund and to continue to be a contributor for so long as _____⁵.

(2) When any person already in the service of the _____³ becomes one of the class of persons mentioned in paragraph (1) of this regulation, then with the consent of the _____³ that person may elect to contribute to the fund with effect from his or her first appointment in the service of the _____³ or from such later date as the _____³ may approve.

7. Every contributor shall make a monthly contribution of an amount equal to _____ percent⁶ of his or her monthly salary.

8. (1) Contributions shall be deducted from the salary of the contributor and shall immediately be paid into the fund.

(2) For the purpose of calculating the monthly contribution of a contributor, the contributor shall be deemed to be on full salary whether in fact he or she is receiving full, reduced or no salary; but when a contributor is on reduced salary or no salary for a period exceeding two months continuously, he or she may elect to contribute in respect of the period in excess of two months at a rate calculated on any reduced salary which he or she may receive or, if he or she receives no salary, to contribute nothing.

9. A sum to be called a bonus shall be paid out of the revenues of the _____³ into the fund for the credit of the contributor at the end of each month, and this bonus shall be _____⁶ percent of the salary of the contributor.

10. Interest shall be credited separately on deposits and bonuses at a

⁴Insert class of persons who shall be required to be contributors.

⁵Insert the period during which a contributor shall be required to contribute.

⁶Insert the amount approved by the Minister.

rate to be fixed annually by the board and shall begin to accrue in respect of each sum deposited and each bonus on the first day of the month following that on which the deposit is deemed to be made or the bonus credited and shall be added to and become part of the principal on the 31st of December of each year.

11. So soon as convenient after the 31st day of December in each year the board shall inform every contributor of the full amount standing to his or her credit in the fund on such 31st day of December.

12. Subject to the Act and these Regulations, if a contributor dies while in the service of _____³ or leaves that service—

(a) because in the opinion of _____³ he
or

she is incapable by reason of some infirmity of mind or body of discharging the duties of his or her office;

(b) on the completion of his or her contract;

(c) on the abolition of his or her office;

(d) because he or she has reached the established retiring age of the _____³;

(e) in the case of a female contributor because of marriage or contemplated marriage after the completion of not less than one year's service if the contributor produces such evidence as the _____³ shall deem satisfactory

that

the marriage has taken or will take place;

(f) because the _____³ has
terminated

the contract of service of the contributor on grounds other than of misconduct; or

(g) on the transfer of the contributor, with the approval of _____³ to the service of the
Government or another public service,

the amount standing to his or her credit in the fund at the closing of the account shall be paid out of the fund to the contributor, or in the case of the death of the contributor to the person or persons nominated for the purpose by the contributor or, if no such nomination has been made, to the personal representative of the contributor or, at the discretion of the

_____³ to the person appearing to the
_____³ to be entitled ultimately by law

to

receive it.

13. (1) If a contributor shall be dismissed or resign from or leave the service of _____³ without permission

without completing the period prescribed by any contract under which he or she may be serving—

- (a) the amount of his or her deposits and interest credited on the deposits under regulation 10 of these Regulations shall be paid out of the fund to the contributor;
- (b) any part of the bonuses credited to the contributor and interest credited as aforesaid, as the board, with the prior approval of _____³ shall determine, may be so paid.

(2) Any part of the bonuses and interest not paid as aforesaid shall be paid out of the fund to _____³ and credited to the revenue of _____³.

History: Cap. 291.

Cross References

Local Governments Act, Cap. 243.

Provident Fund (Local Governments) Act, Cap. 287.