

Universal Pension Scheme

The average life expectancy of people in Bangladesh is currently 72.3 years, but the average life expectancy is likely to increase further in the future. The country is enjoying the benefits of demographic dividend. Currently about 62% of our total population is working. The number of people above 65 years is about 7% of the total population who are mainly dependent on the working population. By 2050 this number will increase to 25%. At the same time, due to increase in the average life expectancy and rise in the number of single households the dependency ratio will increase in the future. So it is necessary to build a sustainable social security structure. If it is possible to bring the population above the age of 18 years under the Universal Pension Scheme, they will be covered by a well-organized social security structure. The target has been set to bring 10 crore citizens of the country under the universal pension scheme. If this system is implemented effectively, the social security of our elderly population will be ensured.

The government has already started its activities by establishing the National Pension Authority. The Universal Pension Management System has been developed on a complete IT platform in line with the implementation of the Hon'ble Prime Minister's goal to achieve 'Smart Bangladesh'. Any person can visit www.upension.gov.bd website to complete the automatic registration process in Universal Pension Scheme with ease and make payment through Online Banking, Credit Card/Debit Card and Mobile Financial Service (MFS). Once the registration process is completed, the subscriber is automatically provided with a unique pension ID and password from the upension system, through which a subscriber can directly view his pension (corpus) deposits, dividends received etc. by logging in the website. Any person with limited IT knowledge or no IT access can complete the registration with the help of Union Digital Center, Internet Cafe or anyone else. If one does not have online payment facility, he can easily deposit money by going to the counter of any branch of Sonali or Agrani Bank. Initiatives have been taken to make this service easier by increasing the reach of the bank in the future. It is noteworthy that 16,600 people have registered in the public pension scheme, against which 19 crores taka have been deposited till December 5, 2023.

Features of Universal Pension:

- In Universal Pension Scheme, 18 to 50 years old beneficiary has to pay subscription until 60 years of their age and above 50 years old beneficiary has to pay for 10 years to receive pension until their death. Any Bangladeshi citizen working or staying abroad can also participate in this scheme.
- In case of death, the nominee of the pensioner will receive pension for the remaining period of attaining the age of 75 years of the pensioner.

- If the subscriber dies before paying the subscription for at least 10 years, the deposit will be returned to his nominee along with the profit.
- Subscriber can withdraw maximum 50 percent of his deposit as loan.
- The contribution towards pension will be treated as investment and eligible for tax concession and the monthly pension will be free from income tax.
- Government will pay part of the subscription for the insolvent and those are of low income threshold.
- For the time being, officers/employees working in Government and Autonomous Institutions will be excluded from the coverage of Universal Pension Scheme. But gradually they will be brought under this system.
- There is a scope of changing the contribution rate and scheme after joining the Universal Pension Scheme.
- The monthly amount of pension will be determined on the basis of the return attainable by investing pensioners' contributions in the safe, secured and profitable sector under the investment rules.

Universal Pension Schemes: (1) Probash (2) Progoti (3) Surakkha and (4) Samata.

- (1) Probash (For Expatriate Bangladeshi Citizens): Any Bangladeshi citizen working or staying abroad can participate in this scheme by paying the prescribed rate of contribution in foreign currency. After returning home from abroad one can pay the equivalent amount in local currency or if necessary can change the scheme. On completion of pension scheme pensioner will get pension in local currency. The monthly subscription amount in this scheme is 2000/-, 5000/-, 7500/- and 10000/- taka. Expatriate Bangladeshis can also open a pension scheme (Surakkha) in the name of their family members (father, mother, brother, sister, husband or wife) residing in the country and pay monthly contributions.
- (2) Progoti (For Officers/Employees of Privately Owned/Non-Government Institutions): Individuals/employees working in privately owned institutions or owners of said institutions can participate in this scheme by paying the prescribed rate of contribution. In case of participation by any institution in this scheme, 50% of the scheme contribution will be paid by the employees and the remaining 50% by the institution. In this case, the relevant company registration has to be completed by following the company registration process in the upension system. Even if a private organization does not participate in the Universal Pension Scheme institutionally, any employee working in the said private organization will have the opportunity to participate in this scheme on his own initiative. The monthly subscription amount in this scheme is 2000/-, 3000/-, 5000/- and 10000/- taka.
- (3) Surakkha (For Self Employed Citizens): Individuals working in the informal sector or engaged in self-employment such as: farmers, rickshaw pullers, laborers, blacksmiths, potters, fishermen, weavers and all those engaged in informal works can participate in this scheme by paying the prescribed rate of contribution. The monthly subscription amount in this scheme is 1000/-, 2000/-, 3000/- and 5000/- taka.

(4) Samata (For Self Employed but Very Poor Citizens): Low-income persons living below the poverty line based on income limits published from time to time by the Bangladesh Bureau of Statistics [Whose current income limit is less than 60 (sixty) thousand taka per annum, but no evidence is required to submit in support of the annual income], can participate in this scheme by paying subscription at the rates mentioned in the schedule. The monthly subscription amount in this scheme is 1000/-taka, of which 500/- taka will be paid by the subscriber and the remaining 500/- taka will be given as grant by the government.