**SOCIAL SECURITY FUNDS IN THE INFORMAL SECTOR**

The informal sector can refer to the low income earners such as hawkers, cobblers, barber, venders, shop attendants, cargo carriers and so many others.

**Introduction**

A social security fund is were employees are given an opportunity to save part of their salary, such that it is given to after retirement. There are currently two social security funds in the Uganda that is NSSF for the private workers and pension scheme for the public servants.

It is therefore equally important for the low income earners to have a saving policy such as the rest so that they save for their retirement.

**Aims/purpose**

* To save
* To save for retirement
* To create space for new employees when the old ones get to retirement
* Beneficiaries such as children can benefit from the parents saving
* To establish investments during retirement from their savings
* It reduces on the government expenditure and on the social burden

**Findings**

On the positive side, some people are open with the idea because they believed the money they save would help at some point in the future;

To pay their children’s fees

To expand their businesses

To start projects such as poultry

The savings can help to them to clear loans, rent, and other debts.

On the negative side some people do not find the idea so nice because;

Most of them believe that social security funds are cheats because many allege that their money is not refunded when they go for it especially when they have retired.

When one does not have beneficiaries he/ she may not benefit in case of an early death, this is discouraging for most people as they may see no need to save.

Social security funds are scarce and not designed for low income earners therefore it’s hard for them to go open accounts even if they are interested.

It’s also difficult to save with social security funds because some low income earners have circles that that are already part of, clearly they don’t see the point of a social security fund.

Most people are so ignorant about the policies of the available social security funds especially individuals in the village.

**Conclusion**

social security funds being introduced to informal sector is not such a bad idea because it would help the government by reducing on its expenditure on the elderly, children and youth such that it can direct its resources elsewhere but because of the limited and no awareness of these social security funds restricts individuals from having to save with these social security companies.

**Recommendations**

* Increased awareness of these social security funds through sensitization in remote areas
* Establish more branches in the country such that they are accessible
* Putting up conferences or classes to introduce the saving idea to ignorant people