

NIC IPO shrugs off threats from Makerere savers

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But problems have just begun for the university staff as NSSF sues them for Shs 50 billion breach



When National Insurance Corporation (NIC) issued its Initial Public Offer (IPO) On Dec 31 the Makerere University Academic Staff Association (MUASA) leader, Tanga Odoi, interrupted the event with a rude warning: The university staff would sue NIC unless it cleared their claim of over Shs 16 billion.

The money accrues from a pension fund that the dons had with the former

government-owned NIC until 2005 when

the insurance firm was acquired 60 percent by Industrial and General Insurance Company Ltd of Nigeria. Since then, MUASA stopped contributing to the fund. NIC concedes the Makerere claim but disputes the sums involved and has requested the intervention of an independent actuary.

In a turn of events the National Social Security Fund (NSSF) has dragged Makerere University and its affiliate, the Makerere University Business School, to court seeking payment for an outstanding amount of remittances of up to over Shs 50 billion.

NSSF in a suit it filed at the High Court in Kampala says the university has reneged on a legal obligation to deduct and remit 5% of all their employees' monthly gross salary and the 10 % statutory employer contribution to the Fund since 2005.

NSSF's Deputy Head of Marketing and Communications Olive Lumonya Birungi confirmed the development.

The NSSF suit will be a double blow for MUASA which appears to be at the mercy of NIC in the claims controversy. The don's body, which had threatened to sue the NIC for its pension money, has now become the hunted. Its fire-spitting leader Tanga Odoi told The Independent that MUASA has formed committees over the issue.

"One of the committees was to engage government over the matter since it was the one offloading its shares. The committee that is slated to meet President Museveni is headed by Professors Tikodri and Nuwagaba. However other options are still open in case we don't strike a balance," he said.

Meanwhile, NIC appears to have successfully shrugged off threats by MUSA and offered up to 161,552,000 ordinary shares at Shs45 each in the IPO.