UNIVERSITY OF NAIROBI
PENSION SCHEME 2007
MEMBERS EDUCATION
JUNE-JULY 2014
UPDATES FROM THE SCHEME
Introduction

• I welcome you all to the 2014 Members Education.

• Once again the Trustees in their commitment to serve have organized to go round all the colleges for the purpose of carrying out members education.

• The following is the program for this year’s members’ education,
## Program

<table>
<thead>
<tr>
<th>Item</th>
<th>Time</th>
<th>Facilitator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction and Updates on the Pension Scheme</td>
<td>12.30 p.m. – 12.40 p.m.</td>
<td>Chairman - BoT</td>
</tr>
<tr>
<td>Post Retirement Medical Scheme</td>
<td>12.40 pm – 12.50 p.m</td>
<td>Dr. S. Ochiel</td>
</tr>
<tr>
<td>NSSF ACT 2013/Income Drawdown</td>
<td>12.50 p.m. – 1:30 p.m.</td>
<td>Alexander Forbes</td>
</tr>
<tr>
<td>Questions &amp; Answers</td>
<td>1.30 p.m. – 1.45 p.m.</td>
<td>Chairman - BoT</td>
</tr>
<tr>
<td>Vote of Thanks</td>
<td>1.45 p.m.</td>
<td>Representative of College/ Campus</td>
</tr>
</tbody>
</table>
Board of Trustees

- Prof. P.M.F. Mbithi - Chairman, Rep. Council
- Prof. L.W. Irungu - Rep. Council
- Dr. W. Nyangena - Rep. Teaching Staff
- Prof. P.G.O. Weke - Rep. Teaching staff
- Mr. B.D. Njuguna - Rep. Non-Teaching Staff
- Mr. M. A. Adala - Rep. Non-Teaching Staff
- Ms. R.W. Ngondo - UoN Chief Legal Officer
Elections for Non-teaching Member Trustees

• The first term for Mr. Michael Adala and Mr. B. D. Njuguna the two non-teaching member Trustees will expire in September 2014.

• Therefore Elections for two positions for non-teaching member Trustees will be conducted in the month of August 2014.

• More information concerning the same will be given to the members at the right time.

• Non-teaching members are requested to participate in large numbers in forth coming elections.
Secretariat

The members of the Secretariat have remained as follows:

• Mrs. T.K. Alyela: Scheme Administrator
• Mr. C. O. Otage: Scheme Officer
• Mr. J. K. Kariuki: Scheme Accountant
• Mrs. F. Munyao: Office Admin/Driver
Service Providers

• The Trustees are fully responsible for managing the Scheme in accordance with the Trust Deed and Rules.

• However, the Trustees are required under the law to engage services of various service providers while carrying out their duties.

• The following are the current Scheme’s service providers: -

  • Fund Managers: Genesis Kenya & Pine Bridge
  • Custodians: Standard Chartered Bank.
  • Actuary: Alexander Forbes Financial Services
  • Lawyers: Kaplan & Stratton
  • External Auditors: Kenya National Audit Office

• 7
Rate of Return

• Rate of return declared by Trustees for the financial year ending 30th June 2013 was 23%. This was ONE OF THE BEST IN THE INDUSTRY.

• The Trustees together with the fund managers are aiming to declare a comparable good rate of return for the financial year ending 30th June 2014.
Fund Value

- The Trustees have continuously adhered to prudent investment strategies within the approved guidelines provided by the Retirement Benefits Authority (RBA).

- As at 30th April 2014 the Scheme’s fund value stood at KShs.11,282,169,426.78, compared to KShs. 9,681,366,927.11 as at 30th June 2013.
Scheme’s Investment Portfolio as at 30.04.14

- Shares (Quoted): 26%
- Kenya Government Securities: 35%
- Corporate Bonds: 3%
- Treasury Bills: 13%
- Immovable Property: 13%
- Cash & Fixed Deposits: 10%

**Chart:**

- Shares (Quoted)
- Kenya Government Securities
- Corporate Bonds
- Treasury Bills
- Immovable Property
- Cash & Fixed Deposits
Scheme’s fund growth: 2009 to April 2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Fund Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>2,000,000,000.00</td>
</tr>
<tr>
<td>2010</td>
<td>4,000,000,000.00</td>
</tr>
<tr>
<td>2011</td>
<td>6,000,000,000.00</td>
</tr>
<tr>
<td>2012</td>
<td>8,000,000,000.00</td>
</tr>
<tr>
<td>2013</td>
<td>10,000,000,000.00</td>
</tr>
<tr>
<td>2014</td>
<td>12,000,000,000.00</td>
</tr>
</tbody>
</table>

Fund Value

Scheme Fund Value
2009 - April 2014
Benefits Payable by the Scheme

- Normal Retirement Benefits
- Early Retirement Benefits
- Retirement on ill Health
- Death Benefits
- Withdrawal Benefits
Additional Voluntary Contributions (AVCs)

- Members are encouraged to make AVCs in order to enhance their benefits.
- Voluntary contributions being remitted by members have increased from an average of Kshs. 400,000 in July 2013 to Kshs. 700,000 per month in Feb 2014.
- AVCs together with accrued interest are payable in full whenever members exit from the Scheme. [i.e. AVCs are not subject to the requirement of “1/3rd lumpsum and 2/3rd”].
- Members wishing to make AVCs should write a letter to the Finance Officer, stating the amount to be deducted, and giving a copy of the letter to the Scheme Administrator.
Nomination of Beneficiary Forms

• Members are advised to complete the nomination of beneficiaries’ form and update them regularly so that in the event of death it makes it easier for benefits to be processed and disbursed to their beneficiaries.

• Nomination of beneficiary forms are available at the Scheme offices or at the College Registrar’s offices or can be downloaded from the Scheme’s website at pensions@uonbi.ac.ke
Planning for retirement Seminar

• A planning for retirement seminar for Teaching Members of Staff with five (5) years or less to retire was held on 12th and 13th February 2014.

• Another pre-retirement Seminar for Non-teaching members of staff has been scheduled for the month of September 2014 for members who are remaining with Seven(7) years or less to retire.
Income Draw Down

- The Pension Scheme Trustees have resolved to introduce Income draw down as an alternative to purchasing annuities with the 2/3rds retirement benefits from Insurance companies.

- The Trustees are working on the regulations and modalities that will govern income drawdown.

- More details are going to be provided by Alexander Forbes Financial Services.
The Government of Kenya has introduced the NSSF Act No. 45 of 2013 which was effective from Jan 2014 but was deferred to 1st June 2014.

Under the newly introduced NSSF Act, all employees have to contribute to NSSF and all employers are obligated to make deductions from all members of staff and forward the contributions to NSSF.

All members are therefore expected to register with NSSF.

More details on the NSSF Act 2013 are going to be presented by the Scheme’s Actuaries- Alexander Forbes.
A while back the Trustees had carried out preliminary work on the PRMS and found out that it was a viable project. However the Pension Scheme Trustees could not go further than the preliminary stage because the RBA Act does not give them the mandate to set up the PRMS.

A **Steering Committee** has been formed by members to spearhead the setting up of the UoN-PRMS which is expected to be launched in October 2014.

The PRMS will be **voluntary and contributory**. The **Steering Committee** is currently working with professionals to design the appropriate contribution levels and benefit packages and how the PRMS will operate.

Members will receive periodic updates on the same.
**Scheme’s Offices & Contacts**

- **The Scheme’s offices are located on 3rd Floor of UNIPEN Apartments Block A. Members are free to visit the offices and make any relevant enquiries concerning their Scheme.**

- **The following are the contacts for the Scheme:**

  - **Website**: [pensions.uonbi.ac.ke](http://pensions.uonbi.ac.ke)
  - **Address**: P. O. Box 30197 – 00100 GPO, Nairobi
  - **Telephone**: 0738-555-439, 0718-024-995
  - **E-mail**: uonpension@uonbi.ac.ke
Thank You