

### **What is an individual Personal Pension Scheme?**

This product is open to individuals who would like to save for retirement. Small Medium Enterprises (SME'S) further find a convenient and cost efficient platform for provision of retirement saving arrangement for their employees through this platform.

### **What is the governance structure of the fund?**

The Scheme is established under an irrevocable trust and is a separate legal entity from the founding company. It's registered and regulated by Retirement Benefits Authority and Kenya Revenue Authority. The scheme assets are held by the appointed custodian and separated from the assets of the founding company enhancing the security of your retirement nest egg.

The scheme has an appointed Corporate Trustee who is independent from Kenya Orient Life Assurance Limited and watches over the operations of the scheme on behalf of the members.

### **Who qualifies to be a member of the Fund?**

Members aged 18 years and above qualify to be members of the fund

### **How can I join?**

Members Join by completing an application form and attaching a copy of their national identity card, KRA Pin number and a passport photo.

### **What is the minimum contribution rate I can make?**

The Minimum contribution by the member is Kshs. 1,000.00 per month.

### **What income tax reliefs will I enjoy by being a member of the scheme?**

Income Tax relief on employee contributions Pension schemes do not pay income or capital gains tax on investment returns. Part of your retirement benefit may be paid as tax-free cash sum.

### **Will my benefits be taxed?**

The current preferential tax treatment for members who leave a retirement benefit scheme on grounds of retirement or early withdrawal is such that the first Kshs.60, 000.00 for every year of membership up to a maximum of Kshs 600,000 of lump sum payment is tax free. Any amount above the tax free amounts is taxed at respective tax bands.

### **Is it true that I cannot access my benefits until I attain retirement age?**

NO. The Retirement Benefits Authority regulations and scheme Trust Deed and Rules allows for members to access their retirement benefits anytime provided they have left service of the sponsor.

### **Can I transfer my retirement benefits into or to another registered Pension Fund?**

Members are allowed transfer their benefits into or to other registered benefits scheme at no cost.

### **What is an annuity?**

An annuity is a financial product that allows you to turn the pension contributions you made while you were working into a regular income after you retire. You hand over your pot of pension savings to an annuity provider, and it guarantees to pay out a certain amount every month until you die.

**What is a draw down fund?**

Income drawdown is where you leave your pot invested and take an income directly from it, instead of using the money in your pot to buy an income (an annuity) from an insurance company. As the rest of your pot remains invested, it will continue to benefit from any investment growth.

**What factors determine the annuity and draw down income?**

Current interest rates, the amount you deposit, your age, your gender, the length of time the payments are guaranteed.

**How often can I get my statement?**

Members can access their statements on request or through the member online portal.

**Am I allowed to change my beneficiaries as need arises**

Yes. The RBA regulations allow members to change the beneficiaries as often as they wish.

**What happens to my benefits when I pass on?**

The benefits are paid to the nominated beneficiaries.

**How do I withdraw my benefits from the scheme?**

Members notify the Board of Trustees through official request of their intention to withdraw their benefits after leaving the service of the sponsor.

**What documents do I submit along with my withdrawal form?**

A copy of member's original Identity Card and KRA pin certificate.

**Upon my demise will my retirement benefits form part of my estate?**

No. RBA regulation treats pension benefits as separate entity from the individual estates.

Is it true that the Trustees have discretion on distribution of my assets? Yes. RBA regulation allows Trustees to exercise their discretionally powers in distribution of death benefits for the best interest of the beneficiaries.

**Where can I make a complaint regarding my benefit entitlement?**

Members can take issues/complaints that are unresolved by the Board of Trustees to the RBA.

**Who is a corporate trustee and what is their role?**

A corporate trustee, just as the name suggests is a corporate body whose work entails providing corporate trustee services to pension schemes as well as institutions.

A corporate trustee just like an individual trustee has the following duties and responsibilities in a pension scheme:

- To manage and administer the Scheme in accordance to the RBA regulations and to act with due care, diligence and good faith;
- To take all reasonable steps to ensure that the interests of Members in terms of the Rules and the Retirement Benefits Act and Regulations are protected at all times;

- To act with impartiality in respect of all Members and beneficiaries and to comply with the provisions of the scheme Trust Deed and Rules;
- Obtain approval for treasury (not required for private firms – only applicable to public institutions)
- Administer the scheme in accordance with the provisions of the RBA regulations;
- Determine benefits entitlement eligibility of members at exit;
- Ensure that proper control and risk management systems are in place for effective management of the scheme

