



Dignity in Retirement

IEBC Staff Pension AGM

June 2025



Numbers
8:25

- **24"This is what applies to the Levites: from twenty-five years old and upward they shall enter to perform service in the work of the tent of meeting. 25"But at the age of fifty years they shall retire from service in the work and not work any more. 26"They may, however, assist their brothers in the tent of meeting, to keep an obligation, but they themselves shall do no work. Thus you shall deal with the Levites concerning their obligations."**



COMPLIANCE STATUS OF THE SCHEME

Parameter	Requirement	Staff Retirement Benefits Scheme
Documentation	Trust Deed & Rules	Filed
	Good Governance Policies	Submitted
	Trusteeship	Deed of Appointment and Discharge submitted to the Authority,
Reporting	Statutory Returns (Contribution, Custody, Investment)	Submitted (All quarters)
	Annual Accounts	Submitted
Prudential Risks	Contributions	Nil outstanding contributions
	Investment	IPS-Filed 2025 (expiry Feb 2027)



RECENT REGULATORY CHANGES

- ❖ Tax amendment laws of 2024
- ❖ Exemption from table G guidelines of Sharia compliant investments
- ❖ PRMF Contributions of up to 15,000p.m tax deductible
- ❖ Gazettement Income draw Down Regulations (2023)
- ❖ Treasury Circular 9/2024- Fixed term contract staff eligible to join the scheme

Highlights of Key Amendments on Pension Benefits Taxation

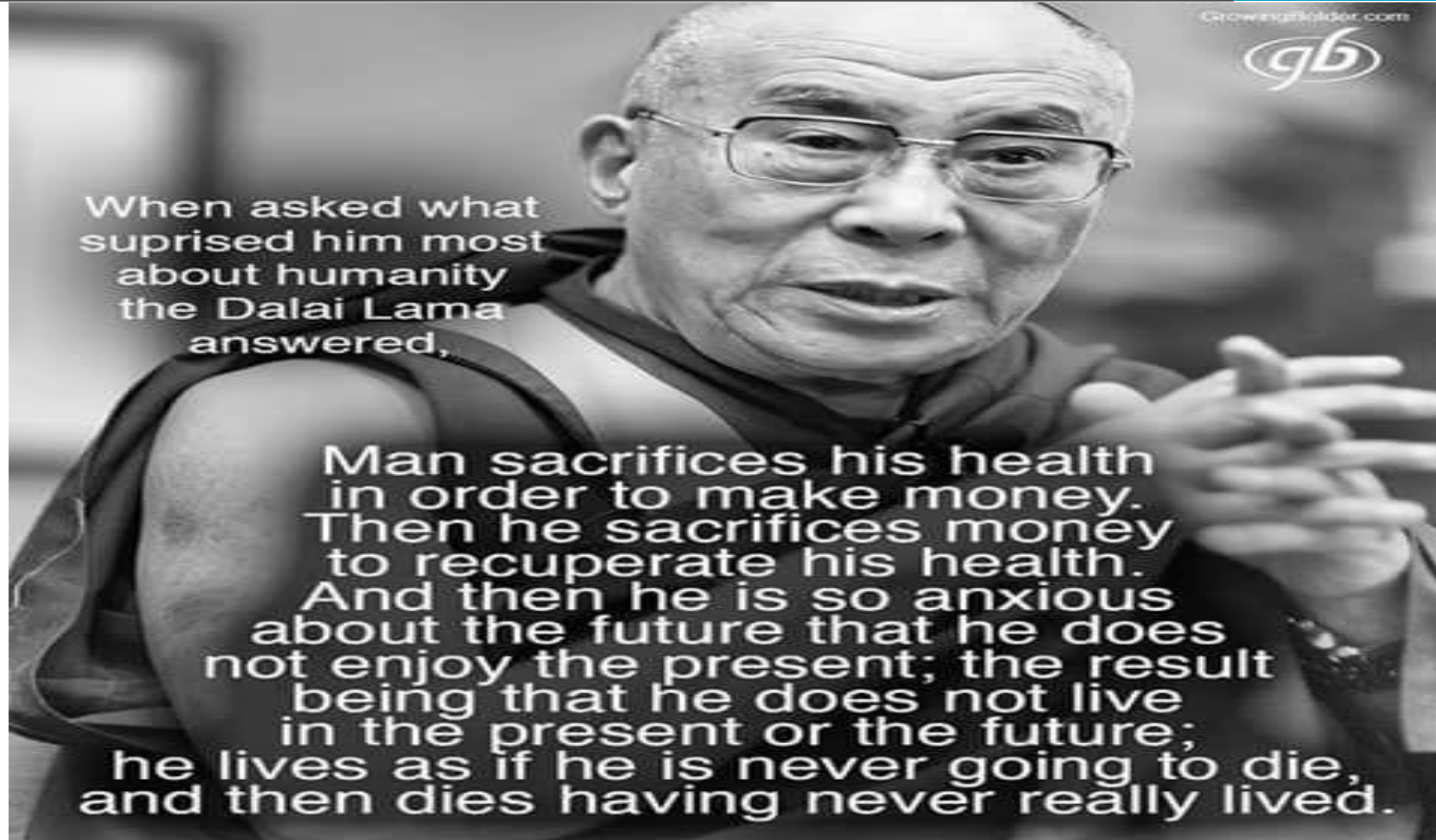
Higher tax-free pension contributions (KES 360,000 annually).

Tax deductions for post-retirement medical savings.

Tax exemption on pension benefits under certain conditions.

Simplified registration for pension schemes.

...PRMF





RECENT REGULATORY CHANGES contd

Income Draw Down Regulations

- ❖ Membership- Member from the scheme who has attained early retirement age or age 50+; Beneficiaries entitled to payment from the scheme or IDD
- ❖ Disclosure on; Terms of access, Simplified benefit illustration projection for at least 3 scenarios, Risks of the fund: investment, longevity, expense, inflation; Taxation of benefits and Fees & Charges applicable
- ❖ Rights: Information on options available upon expiry of the minimum drawdown period, Freedom to choose frequency of withdrawals and amounts payable (max 12%); Right to transfer to another IDD after five years of membership; If the beneficiary is a minor, right to transfer to another IDD upon attaining 18years



TERMS OF AN IDD....



Minimum drawdown period

- 10 years from commencement of the drawdown

Transfer

- Member may transfer benefits to another IDD after 5 years of membership

Maximum withdrawal

- 12% of members outstanding balance determined at the beginning of the financial year

Frequency

- Monthly, Three months, Six months or Annual

TERMS OF AN IDD....

After minimum drawdown period

- Continue with the IDD arrangement (with same or different provider-can transfer every five years or purchase annuity)
- Purchase an annuity
- Access the balance as a lumpsum

Beneficiaries in IDD-below 18years of age

- Not subject to the minimum conditions-TDR to provide for rules on upkeep and maintenance



Trustee Responsibility: Fiduciary Duties

- A fiduciary relationship arises if the following elements are present:

Acts in the interests of another person; Can exercise discretion or power; can unilaterally affect beneficiary's interests; Beneficiary vulnerable to fiduciary's power

- If a fiduciary relationship is established, then the fiduciary must:

Act prudently; Be loyal to beneficiaries; avoid conflicts of interest; Not profit personally; treat all beneficiaries even handedly; Maintain confidences

MEMBERS RIGHTS

- ❖ Payment within 30 days
- ❖ Transfers within 60 days
- ❖ Options on exit; cash/defer/transfer
- ❖ leave funds in the scheme upon retirement for up to 1 year
- ❖ Immediate vesting of benefits
- ❖ No assignments/attachment of benefit
- ❖ Annual benefit statements





RIGHTS contd

- **Summary of the annual Audited accounts of the scheme at least 2 weeks before the AGM**
- **Question any anomalies within the audited accounts**
- **Inspect the registers of schemes, custodian, administrator**
- **Investment report of the scheme funds.**
- **Attend AGMs**
- **File complaints with RBA**

MEMBER'S RESPONSIBILITIES

- ❖ Read and understand the TDR
- ❖ Elect Trustees
- ❖ Attend AGM's
- ❖ Attend Member Education forums/ Retirement planning seminars
- ❖ Nominate beneficiaries
- ❖ Approve Trustees remuneration
- ❖ Inform RBA of any anomalies within the scheme



TYPES OF SALARIES

ONION SALARY

You grab it,
you open it,
and you cry

STORM SALARY

You don't
know when
it's coming
or going

MAGIC SALARY

You touch it
and it
disappears

AMNESIA SALARY

You can't
remember
what you
spent it on

TIME TRAVELLING SALARY

you spend it
paying
various debts
even before
you collect it





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