



# INDEPENDENT ELECTORAL AND BOUNDARIES COMMISSION STAFF PENSION SCHEME

## KNOW YOUR SCHEME WELL & FREQUENTLY ASKED QUESTIONS(FAQ)

JUNE 2025



## 1.0 INTRODUCTION

- 1.1 This document has been prepared to give members of the Independent Electoral & Boundaries Commission (IEBC) Staff Pension Scheme (the Fund, also referred to as the Scheme) a good understanding of the purpose, structure and operation of the Scheme.
- 1.2 It provides a guide on benefits provided by the Scheme and outlines the main provisions of the Trust Deed and Rules. Please note that the Trust Deed and Rules, commonly referred as TDR, is the formal document governing the Scheme; if there is any conflict between this document and the Trust Deed and Rules, the terms of the latter shall prevail.
- 1.3 Trust Deed & Rules can be amended from time to time and any changes introduced take place from the date of introduction.
- 1.4 The Trust Deed & Rules allows Independent Electoral & Boundaries Commission (IEBC) to admit other Organizations to enroll their members in the Scheme, upon successful application. The Office of the Registrar of Political Parties (ORPP) applied successfully for the enrollment of their members into the Scheme. The two employers are referred to as the Sponsors of the Scheme
- 1.5 The Fund is a Defined Contributions which means your retirement savings is based on accumulation of contributions made into the Scheme over the period of membership together with investment income earned over the same period.
- 1.6 The Scheme is registered under the Retirement Benefits Act and is subject to the provisions of the regulations set under that Act. It is also registered under the Income Tax Act in order to preserve tax exemption status.
- 1.7 The assets of the Scheme are separate from those of the Sponsor and are under the control of the Trustees.
- 1.8 The document further describes benefits payable under Independent Electoral & Boundaries Commission (IEBC) Staff Pension Scheme as follows -
  - 1.8.1 A cash lump sum at the Normal Retirement Date up to a maximum of 1/3 of the total contributions made by a Member and the Sponsor together with interest accrued hereon. The balance of 2/3 being used to purchase annuity or drawdown.
  - 1.8.2 A cash lump sum for a Member's dependents if death occurs before retirement;
  - 1.8.3 Accumulated Contributions which are at the date of early retirement, are attributable to any contributions made by a Member and the Sponsor together with interest declared by the Trustees from time to time.
  - 1.8.4 As per HR Manual, an employee should give six months' notice of retirement provided that that notice lapses before a member reaches the normal retirement age of 60 years.
  - 1.8.5 Accumulated total contributions (both a Member and Sponsor) of up to 50% payable to a member leaving the service before age 50, and the balance being deferred to the Normal or Early retirement date.
- 1.9 This structure is captured in the Scheme Rules as provided under the Retirement Benefits (Occupational Retirement Benefits Schemes) Regulations, 2000.
- 1.10 For further information not contained in this document, please contact any of the Trustees of the Scheme.



## 2.0 THE TRUSTEES

- 2.1 Trustees are the individuals charged with the responsibility of managing the assets of the Scheme. There are laws and regulations specifying powers and functions of the Trustees and these laws and regulations are supplemented by the Trust Deed and Rules of the Scheme.
- 2.2 The Board of Trustees of a retirement Scheme is made up of not less than four (4) and not more than nine (9) individual Trustees who must include Trustees appointed by the Sponsor and Trustees elected by Members of the Scheme.
- 2.3 Sponsor Nominated Trustees - Trustees nominated by the Sponsor for appointment as Trustees of the Scheme.
- 2.4 Member Elected Trustees – Trustees elected by the members to be Trustees of the Scheme.
- 2.5 The Sponsor and Members have equal representation in the Board of Trustees and serve a term of maximum of six (6) years.

## 3.0 SCHEME MEMBERSHIP

- 3.1 The overall membership of the scheme is made up of staff from IEBC and ORPP and are categorised as active, deferred and dormant members.
- 3.2 Active members are those still in the Sponsors' employment and contribute to the scheme on monthly basis.
- 3.3 Non contributors (Dormant) are members whose contributions have ceased being remitted but whose status with the employer(s) remains unconfirmed to the Scheme Administrator and the Regulator or have changed employment terms from permanent to contract
- 3.4 Deferred members are those who have left the service of the employer and they no longer paying contributions into the Scheme but have retained their benefits in the Scheme with an entitlement to retirement benefits payable at a future date.

## 4.0 SCHEME VALUATION

- 4.1 The Scheme value is the total assets owned by the Scheme. It includes Members contributions, income from Scheme funds investments and assets revaluations.
- 4.2 The relative position of the Fund from as at 31<sup>st</sup> May 2025 was Ksh.5.3 billion

## 5.0 HOW THE SCHEME IS FINANCED

- 5.1 The Scheme is financed through contributions from the Sponsor and the Members together with interest earnings and capital appreciation thereto. These contributions are invested and are held separately from the Sponsor's assets.

## 6.0 TAXATION

- 6.1 The Scheme is approved by the Commissioner of Income Tax under the Income Tax Act (Cap.470) – "The Income Tax (Retirement Benefit) Rules" which imply;
  - 6.1.1 Members get tax relief on their contributions, subject to limit provided in law;



6.1.2 The Scheme grows free of both Tax on investment Income Tax and Capital Gains Tax.

## 7.0 INDEX TO FREQUENTLY ASKED QUESTIONS (FAQ)

### 7.1 When do I Join the Scheme?

7.1.1 Following the date on which a member is confirmed into permanent employment by the Employer or Sponsor and has attained 18 years.

7.1.2 New members will be required to join the Scheme on the first day of each calendar month coincident with or next following the date on which the above conditions have been fulfilled.

### 7.2 How is the Scheme managed and administered?

7.2.1 The Trustees, in line with the provisions of the RBA Regulations and the Scheme Rules are required to appoint service providers to assist in the management and administration of the Scheme specifically in investment management, custody, administration and audit.

### 7.3 Who are the Scheme Service Providers?

7.3.1 Currently the Scheme has four (4) Service providers.

7.3.1.1 **Fund Manager** - They manage the assets of the Scheme. The Current Fund Manager is ICEA Lion Asset Management for the Segregated Fund and Kenindia Assurance Company Limited for the Guaranteed Fund.

7.3.1.2 **Custodian** - They are responsible for the safe custody of the Scheme Funds, securities, and financial instruments. The current Custodian is Kenya Commercial Bank (KCB).

7.3.1.3 **Administrator** - They are in charge of the daily administration of the Scheme. The current Administrator is Minet Kenya Financial Services Limited.

7.3.1.4 **Auditor** - They check and verify the accuracy of financial records and the accounting practises of the Scheme. The current Auditor VC Karani & Associates Certified Accountants.

### 7.4 To whom do I refer queries?

7.4.1 All queries should be directed through the office of the Trust Secretary, or any member of the Board of Trustees or the Scheme Office Administrator located on the 20<sup>th</sup> Floor, Anniversary Towers, University Way, Nairobi.

### 7.5 Who can change the Rules of the Scheme?

7.5.1 The Trustees may change the provisions of the Trust Deed and Rules but only with the approval of the Retirement Benefits Authority.

### 7.6 What do I contribute to the Scheme?

7.6.1 **Retirement Pension**- You contribute **7.5%** of your monthly basic salary while the Sponsor contributes **15%** of your monthly basic salary.

7.6.2 **Voluntary contributions**- A Member may elect to pay additional voluntary contributions. The amounts of these contributions shall be above the contributions set out under 7.6.1 above and the intervals at which they are paid shall be agreed with the Trustees. If the



Trustees so require, a Member shall give notice of his intention to start, reduce, or stop paying additional voluntary contributions

## 7.7 Do I claim income tax relief on my contributions?

- 7.7.1 Yes. Member's contributions are deducted from pay before tax is calculated.
- 7.7.2 Tax relief is calculated as 30% of the pensionable income or the first Shs.20, 000.00 of contributions per month whichever is the less or such other maximum amount as may from time to time be specified by the Income Tax Act. (Through the PAYE System).

## 7.8 What is the normal retirement age?

- 7.8.1 The normal retirement age is 60<sup>th</sup> birthday, or 65<sup>th</sup> birthday for Members with disability where the exact date of birth is known and where it is not known, such other date as shall be deemed by the Sponsor to occur.

## 7.9 How are my retirement benefits calculated?

- 7.9.1 The amount will depend on the cumulative amount in your account attributable to your own and the Sponsor's contributions plus interest.
- 7.9.2 At retirement on attainment of 60 years of age, you will be entitled to a maximum Cash Lump sum of 1/3 of the total accumulated contributions, together with any additional contributions remitted.
- 7.9.3 The balance of the accumulated contribution shall be used to purchase an annuity from a Registered Insurer or Income drawdown fund. The annuity is payable as long as you are alive (NB: The Scheme has registered an Income Draw Down Fund which is to be managed/invested and administered by the current Service Providers of the Scheme)
- 7.9.4 The amount payable will be taxed in line with the prevailing tax Laws and Regulations) and the net amount paid to you.
- 7.9.5 Members who access their benefits from age 60 and above or retire after attainment of 50 years but before reaching 60 years but have been contributing to a Registered Pension Scheme/Fund for the preceding 20 years are exempted from paying tax on their pension benefits

## 7.10 What is Annuity:

- 7.10.1 Is an insurance policy that gives you guaranteed fixed sum of income for the rest of your life. It is paid on a regular basis according to your preference whether monthly, quarterly, semi quarterly or annually for life.
- 7.10.2 Members are expected to purchase annuity immediately after retirement to ensure they start enjoying their monthly pensions

## 7.11 What is Guarantee period

- 7.11.1 This is a period of years during which annuity payments are guaranteed to be paid to the annuitant/beneficiaries whether the annuitant is alive or not. If an annuitant survives the guarantee period, the payments continue until death regardless of how long they live.
- 7.11.2 The guarantee period ensures that if death occurs before the expiry of the guarantee period, the monthly Pension shall continue to be paid to your dependents for the balance of the



guarantee period

## 7.12 What is Drawdown Income:

- 7.12.1 Means an alternative arrangement to annuity that allows members of the Scheme to access their accumulated benefits as a regular income through reinvesting their benefits in an income Drawdown Fund registered by RBA.
- 7.12.2 The Retirement Benefits Regulations makes the following provisions with respect to Drawdown Funds;
- 7.12.2.1 Each year after retirement, the Member may select a specific regular amount or percentage of the Scheme credit subject to a maximum of 15% from his Scheme Credit.
- 7.12.2.2 Not later than ten (10) years after the commencement of the drawdown, the remaining fund may be used to;
- i. Purchase an annuity from an insurance company;
  - ii. or convert into a cash lump sum for the member to withdraw;
  - iii. or the income drawdown plan can be continued.
- 7.12.3 On the Death of the individual member, the fund can be used to provide an income to the nominated spouse and or dependent children by purchase of annuity or a continuation of an income draw down plan to the beneficiaries. If income is not taken in this way, the balance may be paid to the nominated beneficiaries in lump sum.
- 7.12.4 Prior to the commencement of the drawdown, the member is required to sign a member consent form acknowledging that he/she understands the product design and associated risks.

## 7.13 Can I retire before the normal retirement age?

- 7.13.1 Yes. Provided the Employer agrees. The Income Tax Regulation provides that payment of pension shall commence on or after a Member attains age of 50 years or earlier, on account of any infirmity of mind: or body.
- 7.13.1.1 **Voluntary Early Retirement:** You will be eligible to receive the accumulated amount in the account attributable to contribution by a Member and the Sponsor's plus interest accrued thereon.
- 7.13.1.2 **Ill-Health Early Retirement:** Members who retire because of serious and permanent ill health will be eligible to receive the accumulated amount in the account attributable to contribution by a Member and the Sponsor's plus interest accrued thereon.

## 7.14 What happens if I die before the normal retirement age?

- 7.14.1 Provided at the point of death one was in the employment, the benefits will be: -
- 7.14.1.1A cash lump sum equal to basic salary equivalent to the number of months as per your prevailing Insurance Policy with the Employer;
- plus
- 7.14.1.2The accumulated amount in the account attributable to own and the Sponsor's contributions plus interest accrued thereon.



## 7.15 What happens if I leave the employer before age 60?

- 7.15.1 If you leave employment before the Early Retirement Age, that is age 50, you will be entitled to a withdrawal benefit equivalent to 50% of your total accrued contributions plus interest thereon. The balance shall be retained in the Scheme until the Member reaches Early Retirement Age or normal retirement.
- 7.15.2 You will also be allowed to access your entire accumulated benefits on the following grounds:
- 7.15.2.1 The Member leaves employment as a result of ill-health or during deferment becomes incapacitated on grounds of ill health which if the Member was in employment would occasion the Member's retirement; or
  - 7.15.2.2 Where the Member transfers the benefits to another Scheme; or
  - 7.15.2.3 Where the Member is emigrating from Kenya to another country without any present intention of returning to reside in Kenya. In the case where the Member is emigrating from Kenya, he shall obtain the approval of the Trustees, which shall be copied to the RBA, to withdraw his benefits.
- 7.15.3 You have the following options on leaving service: -
- 7.15.3.1 You may leave the benefits in the Scheme in which case, you will be treated as a deferred Member.
  - 7.15.3.2 Transfer the withdrawal benefits to the Scheme of your new employer or an individual pension Scheme, subject to the written consent of the Commissioner of Income Tax and RBA.

## 7.16 What is meant by a register of beneficiary (s)?

- 7.16.1 All Members should indicate their wishes to the Trustees by completing a Nomination of Beneficiary Form. This can be obtained from the Office of the Trust Secretary or the IEBC Staff Pensions Scheme Office.

## 7.17 How do I know how much I have saved in the scheme?

- 7.17.1 The Retirement Benefits Act and Regulations requires your Board of Trustees to provide you with annual benefits statements not later than six months after the end of Scheme financial year.
- 7.17.2 However, your statement can be provided to you at any point before then, upon request.
- 7.17.3 You are also able to access your statements online at any time using passwords and username to be provided from the office of Trust Secretary by clicking on this link: <https://mss.minet.co.ke>

## 7.18 Can I withdraw any money from the Scheme whilst in service?

- 7.18.1 As long as you remain in service you must remain an Active Member of the Scheme and you shall not withdraw any money from your pension account.

## 7.19 What happens to my benefits if the Trustees cannot trace me?

- 7.19.1 The Trustees are obliged to use every effort to trace you when your benefit becomes due for payment. It is therefore very important that you keep the Trustees informed of your whereabouts and those of your Dependants entitled to receive benefits on your death.



7.19.2 It is now a requirement that, if the Trustees of the Scheme are unable to trace you for a specified period, currently 2 years, they are required to transfer your benefits to an **Unclaimed Benefits Fund** operated by the Unclaimed Financial Assets Authority.

## 7.20 Can I leave all or part of my benefits in the Scheme after Normal Retirement Age for investment?

7.20.1 Yes this is possible for up to 12 months as long as you give the Trustees instructions in writing. The Trustees may apply conditions to leaving a balance in the Scheme and will also require you to review this arrangement after 6 months to be sure that your instructions to them remain up to date.

## 7.21 What steps should I take when I leave employment?

7.21.1 There are a number of steps to be completed in processing a benefit from the Scheme and it is strongly recommended that you should start preparing the required information/documents as early as possible.

7.21.2 When you leave employment, you should obtain your most current benefits statement. You may route your request for a benefits statement directly to the Trustee or to the Trust Secretary.

7.21.3 You are encouraged to review your benefits entitlement and to discuss all options available to you before you make a decision. The process is as follows;

7.21.3.1 You will receive an advance notification of your retirement at least 12 months to the date of retirement.

7.21.3.2 You are encouraged to obtain your benefits statement prior to the actual date of retirement and consider all the options available to you.

7.21.3.3 As at the actual date of retirement, you will be required to make formal application for your retirement dues by completing an application for benefits form.

7.21.3.4 The application form, also known as leavers form, is forwarded to the Scheme Administrator to commence with the preparation of your benefits.

7.21.3.5 The computation is then forwarded to Trustees for review and approval.

7.21.3.6 The Trustees return the approved calculations to the Administrator for processing either by way of a cheque or electronic funds transfers.

7.21.4 Please note that you will further be required to choose your annuity or income drawdown provider and submit the relevant documents to the Trust Secretary for facilitation and transfer of funds to the selected provider.

7.21.5 If you wish to transfer all or part of your benefits to another registered scheme, there are some formalities to be completed so that the Trustees can be satisfied that the Scheme to which you wish to transfer is properly registered with RBA and KRA.

7.21.6 Your benefits should be paid within 30 days from the time the Scheme Administrator receives all relevant documentation and payment of your last contributions.

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