



Ref: IEBCSPS/COMM/01/ (125)

Date: 1st August, 2025

To:
All Members
IEBC Staff Pension Scheme

Dear Members,

RE: NSSF TIER II CONTRIBUTIONS & PENSION SCHEME UPDATES

1. NSSF Tier II Contributions

Following an application by the Board of Trustees of the IEBC Staff Pension Scheme, approval and subsequent issuance of the **Compliance Certificate** by the Retirement Benefits Authority (RBA), you are hereby notified that the Scheme is now officially eligible to receive NSSF Tier II contributions. The Tier II contributions were hitherto submitted to NSSF but will now be remitted to the Scheme effective August 2025.

2. Post-Retirement Medical Fund (PRMF)

The Trustees established a **Post-Retirement Medical Fund** within the Scheme whose objective is to facilitate members with a platform to save for their medical needs in retirement. This will help to facilitate meaningful savings for each member to help him/her afford a decent medical cover in retirement. The minimum contribution is 1% of the member's basic salary. The contributions commence once a member fills and submits the PRMF application form.

In addition to the monthly PRMF contributions, a member may assign up to 10% of accrued pension contributions to PRMF on retirement.

Note that:

- a. The Post-Retirement Medical Fund is now active and operational.
- b. Participation is voluntary and open to all Scheme members.
- c. PRMF enrolment forms are available on the Scheme's website: www.iebcpension.co.ke

3. Income Draw Down Fund (IDD)

This is an arrangement whereby a retiree transfers their accumulated retirement savings to an investment fund in order to draw a regular income. The **Income Drawdown** fund will assist retiring members to secure a monthly income for a minimum period of 10 years while giving a return to the member on an annual basis. Kindly note that:

- a. The investment fund is a registered Income Drawdown Fund (IDF).
- b. It is the alternative to purchasing an Annuity.
- c. Ideally, the payments to the member should be guided by the performance of underlying investments and the member's lifespan.



On the expiry of the 10th year:

- a. The Income Drawdown plan can be continued.
- b. The Fund balance can be used to purchase an Annuity.
- c. The member can withdraw the fund balance in a cash lumpsum

Note that:

- a. Staff Exiting service now have an Income Draw Down Fund option.
- b. The Income Draw Down Fund is a separate fund within the Scheme, established to receive accrued retirement benefits from members upon retirement, reinvest those funds, and pay regular income to the member over time.
- c. IDD option forms are available on the Scheme's website: www.iebcpension.co.ke

For any queries and more information or assistance, please contact the Pensions Administration Office via email at pensionscheme@iebc.or.ke or info@iebcpesion.co.ke or Tel. No. 0707862340.

PETER MULELE
TRUST SECRETARY
FOR, BOARD OF TRUSTEES, IEBC STAFF PENSION SCHEME