

Issue 18/March 2021



KENYA POWER
PENSION FUND

KPPF e-NEWS



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A Quarterly Issue

Defined Benefits (DB) Fund (as at 31st March 2021)

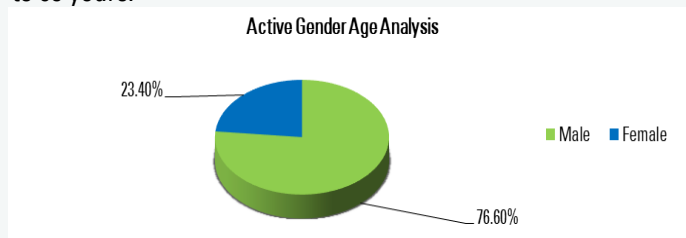
In-service Members

In-service members2,495 Oldest Member 64.59 years
 Deferred members 215 Youngest member41.28 years
 Average age54.59 years

Age Analysis for in-service Members

Age Analysis	No. of Members	Percentage (%)
40-44	32	1.28%
45-50	290	11.62%
51-54	861	34.50%
55-60	1,286	51.56%
Above 60	26	1.04%
Total	2,495	100.00%

Twenty-six (26) members have attained the normal retirement age 60 years but due to their disability status and in accordance with the law, their retirement has been revised to 65 years.

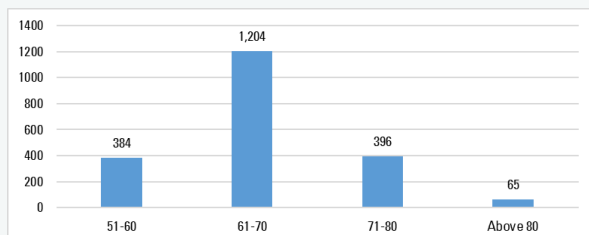


Pensioners

There were a total of 4,605 pensioners comprising of retirees and beneficiaries as shown in the table below.

Pensioner Category	Number	Percentage (%)
Retirees	2,049	44.50%
Widow (er) (<i>Spouses to employees who passed on while in service or retirement</i>)	1,506	32.70%
Orphans (<i>Children to employees who passed on while in service or retirement</i>)	1,050	22.80%
Total	4,605	100.00%

Age Analysis for Retirees



Majority of the retirees were aged between 61-70 years with 65 of them aged above 80 years.

Category	No. of Members	Amount (Kshs)	Percentage (%)
Retirees	2,049	178,143,259.45	73.74%
Widow(er)s	1,506	2,548,119.10	21.75%
Orphans	1,050	10,878,833.60	4.50%
Total	4,605	241,570,212.15	100.00%

- 73.74% of the total pension payroll was paid to the retirees.
- The average monthly payroll was a net of KShs. 80,523,404.05.

Defined Contributions (DC) Fund (as at 31st March 2021)

In-service members7,508 Oldest Member 64.59 years
 Deferred members 647 Youngest member 41.28 years
 Average age54.59 years

During the quarter, the number of in-service members decreased from 7,700 in Q4 2020 to 7,508 in Q1 2021. This was attributed to withdrawals and retirements during the period.

Age Analysis for In-Service Members

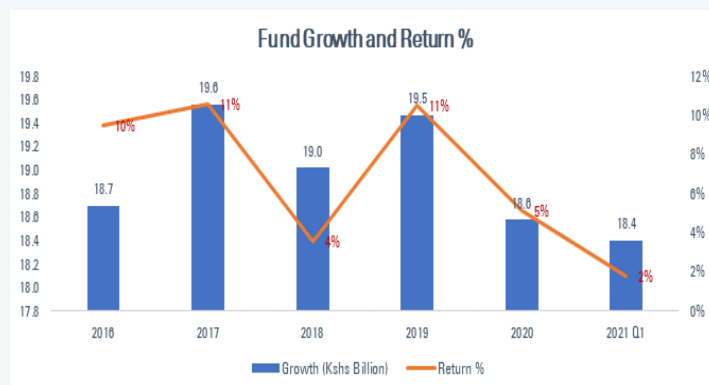
Age Analysis	No. of Members	Percentage (%)
20-24	1	0.01%
25-29	76	1.01%
30-34	688	9.16%
35-39	1,484	19.77%
40-44	1,499	19.97%
45-49	1,167	15.54%
50-54	1,194	15.90%
55-60	1,371	18.26%
Above 60	28	0.37%
Total	7,508	100.0%

Received Contributions for 1st Quarter 2021

Month	Employee (Kshs)	Employer (Kshs)	AVC (Kshs)	Total (KShs)
Jan-2021	38,410,019.30	76,738,357.05	3,385,427.24	118,533,803.59
Feb-2021	38,264,690.47	76,429,463.56	3,420,396.31	118,114,550.34
Mar-2021	38,130,813.83	76,171,659.68	3,424,905.39	117,727,378.90
Total	114,805,523.60	229,339,480.29	10,230,728.94	354,375,732.83

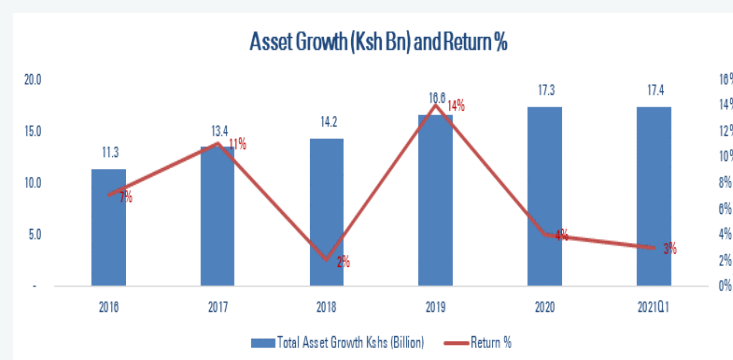
Defined Benefits

During the quarter ended March 2021 the Fund registered a return on investment of 1.8% compared to -1.08% registered during the same period in 2020. The improved performance was due to the good equities' performance in the month of January and February 2021. The fund value stood at Kshs. 18.4 billion as at March 2021. The drop in fund value is attributed to the high benefits pay-outs in quarter one as most staff retired on 31st December 2020.



Defined Contributions

During the quarter ended March 2021 the Fund registered a return on investment of 2.82% compared to a return of negative 4.96% same period in 2020. The performance was better than the performance of the same period last year due to the good equities' performance in the month of January and February 2021. The month of March saw a dip in performance as a result of new COVID-19 surge and lockdowns. The fund value stood at Ksh.17.4 billion as at March 2021.



Outlook

The Kenyan economic growth is expected to remain subdued due to the shattered investors' confidence and heightened measures taken against COVID-19. The World Bank and the International Monetary Fund have projected a growth of less than 1% owing to adverse impact on horticulture, construction, tourism and manufacturing sectors. At the global level, the economy is expected to contract sharply by -3 percent in 2020, much worse than what was experienced in the 2008–2009 financial crisis. However, should the COVID-19 pandemic fade in the second half of the financial year and imposed containment efforts gradually unwind, the global economy could expand by 5.8 percent as economic activity normalizes.



Financial Year Ended 31st December 2020

The audit for the financial year ended 31st December 2020 was concluded and filed with the Retirement Benefits Authority before the deadline of 31st March 2021. Subsequently, the Secretariat prepared member benefits statements for the year ended 31st December 2020. The benefit statements were an accumulation of the opening balance as at 1st January 2020, contributions received within the year 2020 and investment income earned during the year ended 31st December 2020. The member benefits statements were circulated to members via email, and postal address to those without email addresses.

Members are encouraged to take time and review their statements in line their retirement goals and preferred net replacement ratio (NRR). In case you feel that your current accumulation of contributions is short of your desired retirement goals or NRR you are encouraged make Additional Voluntary Contribution (AVC) to improve your standing.

Members with any queries or clarification on the member benefit statements are encouraged to contact us via email info@kppf.co.ke or call 020 5029600 / 0711082700.



Member Education and Awareness Program 2021

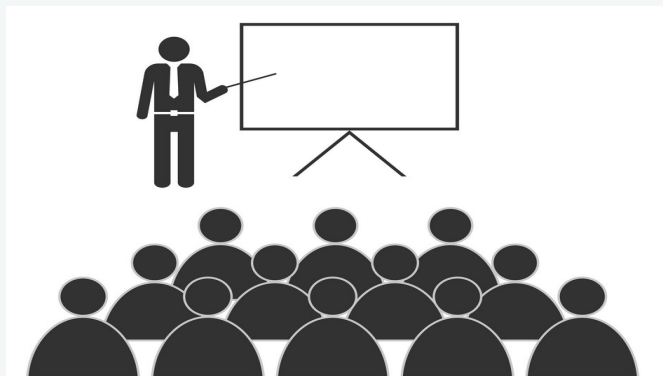
This year's Member Education Program commenced on 1st March 2021. The program is a blend of breakfast meetings, customer service help desks, online meetings and seminars.

The objective of this year's Member Education & Awareness Program is to enable the Trustees and Secretariat reach out to the members and update them on the performance of the Scheme and other matters relating to retirement. The program equally serves as a suitable platform for the Secretariat to receive feedback and input from members on service delivery and other business aspects of the Fund.

This year's program will cover all categories of members including; the in-service members, deferred members, retirees, and beneficiaries. Among the in-service members, there will be a special focus on the new members, those about to retire, senior staff and union officials.

In view of the Ministry of Health guidelines on the control of the spread of COVID-19 pandemic, some seminars will be conducted virtually through zoom or Microsoft teams. However, where physical meetings are the preferred mode, like for the retirees, adequate measures will be put in place to ensure that the health and well-being of the members, trustees and Secretariat staff is a priority.

Members are encouraged to attend these forums where they will get valuable information about the Fund.





Sammy Oduori (Chairman DB Fund) making a presentation during a Member Education & Awareness Seminar in Meru.

Member Education & Awareness Seminar in progress in Meru.



Member Education & Awareness Seminar in progress at Royal Court Hotel in Mombasa.



Kirichwa Place Development

In line with the Fund's investment strategy, the Board of Trustees approved the development of a housing project in one of its properties located along Kirichwa Road in Kilimani area, Nairobi. The property consists 1.66 acres and is proposed to be developed with a total of 288 apartments set in three (3) blocks of sixteen (16) floors each.

Sakile Properties, the property development brand of the Fund has launched the presales of ***Kirichwa Place***. The development has spacious 2-bedroom and 3-bedroom apartments (all ensuite) promising breathtaking urban lifestyle and competitive returns for investors.

Its central location in Kilimani will have easy access to the Central Business District and superior social amenities like international schools, hospitals, shopping malls and airports. It will equal-

ly have attractive modern designs, finishes and convenience amenities ; and will include salient features such as a bore-hole, backup generator, perimeter wall with electric fence, intercom, CCTV surveillance, swimming pool, gym, restaurant, shop and children play area.

The different unit types will also offer options for buyers depending on their purchasing propensity. The price for the different house types range from 11M to 18.2M with flexible payment options.

The Ground-breaking for this project took place on 14th June, 2021.

Take advantage of the off plan prices to select and reserve the best unit.





INTRODUCING

Kirichwa Place

START AT
Ksh **11M**



Book through **0704 211 211 / 0704 212 212 / 0720 533 520**