



KPPF e-NEWS



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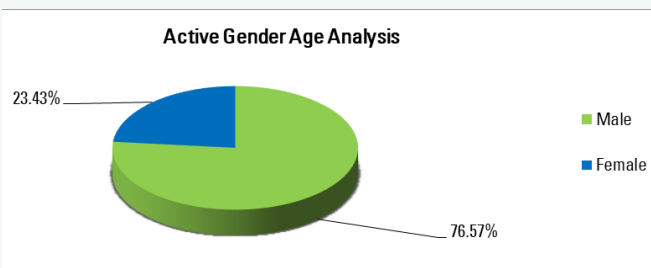
Defined Benefits (DB) Fund (as at 30th September 2021)**In-service Members**

In-service members2,424 Oldest Member 64.74 years
 Deferred members 194 Youngest member41.53 years
 Average age55 years

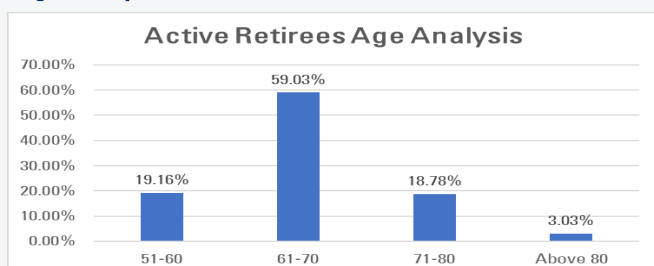
Age Analysis for in-service Members

Age Analysis	No. of Members	Percentage (%)
40-44	25	1.03%
45-50	270	11.14%
51-54	816	33.66%
55-59	1,288	53.14%
Above 60	25	1.03%
Total	2,424	100.00%

Twenty-five (25) 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**

Category	Number	Percentage
Retirees	2,082	45.31%
Widow (er) (<i>Spouses to employees who passed on while in service or retirement</i>)	1,539	33.49%
Orphans (<i>Children to employees who passed on while in service or retirement</i>)	974	21.20%
Total	4,595	100.00%

Age Analysis for Retirees

Majority of the retirees were aged between 61-70 years with 63 of them aged above 80 years.

Pension Payments for 3rd Quarter 2021

Category	No. of Members	Amount (Kshs)	Percentage (%)
Retirees	2,082	183,930,923.02	73.95%
Widow(er)s	1,539	54,793,755.70	22.03%
Orphans	974	9,998,678.98	4.02%
Total	4,605	248,723,357.70	100.00%

- 73.95% of the total pension payroll was paid to the retirees.

Defined Contributions (DC) Fund (as at 30th September 2021)

In-service members7,415 Oldest Member 64.74 years
 Deferred members 655 Youngest member 24.35 years
 Average age 46.01 years

During the quarter, the number of in-service members decreased from **7,464** in Q2 2021 to **7,415** in Q3 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	55	0.74%
30-34	595	8.02%
35-39	1,460	19.69%
40-44	1,543	20.81%
45-49	1,177	15.87%
50-54	1,173	15.82%
55-60	1,385	18.68%
Above 60	26	0.35%
Total	7,415	100.00%

Received Contributions for 3rd Quarter 2021

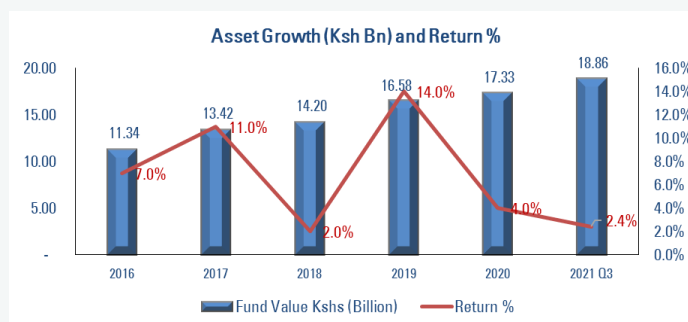
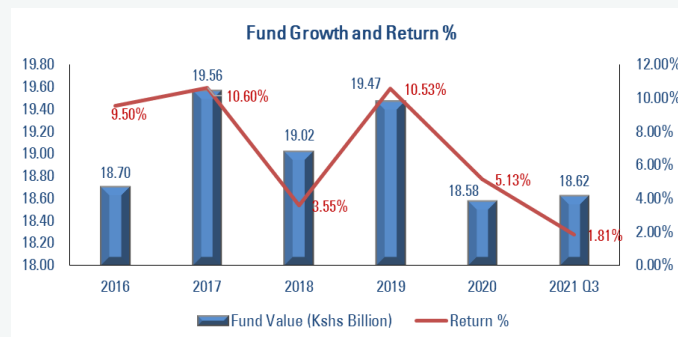
Month	Employee (Kshs)	Employer (Kshs)	AVC (Kshs)	Total (KShs)
Jul-2021	37,843,223.54	75,552,505.25	3,803,418.76	117,199,147.54
Aug-2021	37,758,644.33	75,644,412.63	3,823,801.30	116,973,084.78
Sep-2021	37,585,775.39	75,033,741.76	3,910,827.91	116,530,345.06
Total	113,187,643.27	225,976,886.15	11,538,047.97	350,702,577.39

Defined Benefits

The overall Fund return on investment for the quarter ended September 2021 stood at 1.8% compared to a return of 2.42% for the same period in 2020. The lower performance is attributed to the lower return in Treasury bonds and Call deposits during the quarter, compared to the same period last year. The Fund value grew from 18.58 billion in June to 18.62 billion as at end of the quarter.

Defined Contributions

During the quarter ended September 2021 the Fund registered a return on investment of 2.41% compared to a return of 2.9% recorded for same period in 2020. The lower performance was due to a drop in performance in the stock market during the quarter compared to the same period in 2020. The Fund value grew from Kshs. 18.27 billion in June to Ksh.18.86 billion as at end of the quarter.



Outlook

Despite the ongoing vaccination campaigns in many economies, the global resurgence of COVID-19 infections related to the new variants suggests that the global pandemic may stretch into 2022. This is an indication that risks to the economic outlook will remain high through the year, revising the global growth from 5.2 percent to 5.1 percent. Similarly, global inflationary pressures are expected to last longer with the rising commodity and shipping prices as economies re-open. However, this is expected to be temporary. Generally, the global economic recovery remains promising, though too uneven, which is increasing economic tensions that could undermine the recovery if not well managed.

The Kenyan economy is poised for solid growth as foreign demand shrug off the pandemic's damage, in line with rising vaccination rates globally. Lifting of the curfew and expected digitalization of the land registry processes are likely to improve growth, both in the capital markets and the real estate sector. However, more infectious Covid-19 variants,

coupled with political uncertainty ahead of the August 2022 presidential elections, cloud the outlook.



Customer Service Week 2021

Customer Service Week is an international celebration aimed at emphasizing the importance of customer service, and recognizing the customers and the people who serve and support them .

The Fund continues to prioritize the provision of quality services to its members, and in light of the same, the Fund regularly participates in activities that engage and remind our members of our commitment to customer satisfaction.

On the second week of October 2021 the Secretariat participated in several activities to mark the annual Customer Service Week. The week is usually observed by execution of different customer centric activities around the theme of the year.

The year's theme was 'Driving Customer Inclusion, and in the spirit of having all our internal and external customers feel included and recognized, the Customer Service Committee organized and implemented a number of activities including; distribution of gift items to members across different regions, holding a forum with a number of beneficiaries, a staff training on teamwork amongst others.

As exemplary customer experience is important to us, we continue to put the members' needs first even after this event.



Burns Awareness Week

Through representatives from the CSR Committee, the Fund participated in the Burns Awareness Week which took place from 20th to 24th September 2021. The Burns Awareness Week is an annual seven-day event organized by the Burns Society of Kenya, aimed at sensitizing, and creating awareness amongst the public about fire disaster management with a focus on effective preparedness and response to fire disasters or emergencies. The year's focus was to address burns incidences brought about by gender-based violence.

Due to the guidelines and containment measures issued by the Ministry of Health, the Burns Society opted to capitalize on their digital platforms and run publicity campaigns guided by the theme of the week. They also conducted drive-throughs across specific marginalized areas within Nairobi County, where the burns due to gender-based violence cases had significantly escalated, especially during this pandemic period.



Planning for your Retirement

Planning for life after retirement can come with some bittersweet feelings. Over the last decade, the retirement landscape has changed significantly, and retiring has become even more overwhelming and planning for it more challenging for most, but it doesn't have to be.

Ideally, a member should retire at an income replacement ratio of seventy (70%) of their pre-retirement salary in order to be financially independent and secure. Therefore, it goes without saying that crucial decisions need to be made during your years in service.



Retirement planning is a necessary multistep process that keeps changing over time. It requires intention and the will to make incremental changes regardless of your income levels. To have a comfortable, secure, and stress-free retirement, you need to build a sustainable financial cushion that will fund it.

Most employees' main source of income is the salary they receive at the end of every month. This enables them to meet their living expenses ie. pay for bills and services, purchase assets and save for investments. Upon retirement, this is replaced with pension payments which in most cases compared to the said salary, does not allow one to continue living the same lifestyle as before.

A viable decision would be to increase your pension savings by making additional voluntary contributions. This may force you to postpone or reduce your consumption especially of luxuries, but you will enjoy tax relief, flexibility and will overall grow your take home package. In the end, your accumulated savings will be the determinant of how much your lifestyle will change during retirement.

Retirement opens a new chapter in the lives of many people and should be embraced, and not viewed with dread as some do. How to meet the day-to-day financial obligations and maintain a standard of life that one got so used to for so many years, is perhaps the most common fear for many new retirees. However, those who plan and take proactive steps towards growing their savings can retire comfortably and have no reason to fear this phase of life.



KPPF staff and other participants at Mukuru kwa Njenga during the Burns Awareness walk, 2021



KPPF staff during the Customer Service Week



What do you know about

Additional Voluntary Contributions (AVCs)?

Talk to us today and learn more.

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