CORPORATE COMMUNICATIONS DEPARTMENT

PRINT MEDIA MONITORING REPORT.

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PUBLICATION: The Standard

STORY: Agency wants pension membership made compulsory

PAGE: 45

REMARKS: CPF News

REPORTER: Lee Mwiti

Agency wants pension membership made compulsory

A pension fund administrator is lobbying the Government to amend article 43 of the Constitution to make it mandatory for all Kenyans to contribute to a pension scheme.

CPF Financial Services, formally Laptrust, wants the constitutional provision that currently only demands the State provide social security to its citizens, amended to compel Kenyans in both informal and formal employment to contribute to a new fund to be set up by the National Treasury.

Occupational schemes

CPF Managing Director Hosea Kili said yesterday that in Nairobi, only 15 per cent of Kenyans were covered by funds, out of Treasury's target of 70 per cent. "When you look at the National Social Security Fund (NSSF), only formal employees are covered in that scheme. Besides, NSSF has many governance problems that put off many Kenyans," he said.

"Other occupational schemes that companies take up only cater for formal employees, meaning a big chunk of Kenyans remains without a pension."

Only 10 per cent of Kenyans in the informal sector are members of a pension fund.

This group is covered through voluntary pension schemes.

Mr Kili also weighed in on the raging debate on whether fund trustees should be paid for their role in the governorship of a fund.

He said the Retirement Benefits Authority (RBA) should train trustees to equip them with the skills to govern a fund.

"Trustees should be paid for the work that they do. However, RBA should train them since many don't understand the workings of a pension fund," said Mr Kili. **[Lee Mwiti]**

DATE: 5th May 2017

STORY: Retirement fund wants compulsory Schemes

REMARKS: CPF News

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REPORTER: James Kariuki

Retirement fund wants compulsory schemes

James Kariuki
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The 45,200-strong County Pensions Fund (CPF) is pushing for compulsory retirement benefits scheme to help curb old age-related poverty thought to be responsible for early deaths.

Speaking at a media roundtable in Nairobi, CPF Group managing director Hosea Kili said Kenya should urgently formulate a policy that ties opening of bank accounts, registration of businesses, taking loans and voting in a General Election to having a personal pension scheme.

"We all agree that the government takes care of our health, roads, electricity and security, among other things.

"It is time we eased the old people's burden on relatives and the government by creating a fund that will initially get government funding for establishment of a public pension scheme for all Kenyans," he said.

Mr Kili observed that changing times called for an urgent resolve to create the scheme since farming had become unproductive due to reduced land sizes and unpredictable weather, which deprive many Kenyans of a livelihood.

26BN
SHILLINGS
The amount of member deposits that the County Pensions Fund controls.

"The strategy is to train Kenyans on the importance to save for old age which will ensure they have a monthly monetary reward. No Kenyan saves money for old age since it is perceived to be unimportant but many contribute to saccos, National Social Security Fund and National Hospital Insurance Fund because it is mandatory," he said.

"Let us allow innovation in mobile telephony where every Kenyan registered to a pension scheme has a small percentage deducted from their airtime when they use mobile phones and put this in their pension schemes."

The CPF controls Sh26 billion in member deposits invested in real estate, government bills, stocks and private equity.

DATE: 7th May 2017

STORY: Plea for review of Pension rules

REMARKS: CPF News

REPORTER: James Kariuki

PUBLICATION: Sunday Nation

PAGE: 40

Plea for review of pension rules

BY JAMES KARIUKI
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A top pensions fund boss has called for review of existing incentives to spur the sector's growth as a remedy to Kenya's poverty-related deaths.

The Association of Pension Administrators in Kenya chief, Mr Hosea Kili, said saving for old age should be mandatory.

"This will address the issue of poverty early in life since anyone opening an account or seeking a job must produce a social security number that confirms their future status as pensioners. Let us make it a mandatory prerequisite even for political aspirants, voters and anyone opening a bank account," he said.

He said the government has a heavy burden of fending for elderly families, adding that the authorities should promote a culture of saving. For instance, schoolchildren should study pension schemes and investments as examinable subjects.

"Every person owning a mobile phone should become an automatic pensions account holder, where a small percentage of the money spent on airtime goes to their pension. Banks and saccos can remit a small percentage of the savings they hold for every individual towards a universal fund,' he said.

Mr Kili is also the managing trustee of the 42,000-member County Pension Fund. He was speaking during a media round table in Nairobi.

DATE: 3rd April 2017. **PUBLICATION:** Business Daily

STORY: Bosses of Pension Schemes face Jail over late Financial Reporting. **PAGE:** 20

REMARKS: CPF and Industry News. **REPORTER:** David Herblin

Bosses of pension schemes face jail over late financial reporting

David Herbling
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Chief executives and trustees of pension schemes in Kenya face a two-year jail term if they fail to publish their audited results three months after close of fiscal year, the industry regulator has warned.

The Retirement Benefits Authority says pension schemes whose reporting period ends in December must have publicly released results by Friday, or face jail together with a Sh500,000 penalty. Nine out of every 10 pension schemes or a total of 1,153 retirement funds, have their financial year ending December 31, according to RBA data.

"Failure to submit audited accounts is an offence and a trustee shall be liable on conviction to a fine not exceeding Sh500,000 and imprisonment to a term not exceeding two years," said Nzomo Mutuku (pictured), acting chief executive at RBA.

"The level of compliance can only be determined after the due date," Mr Mutuku told the *Business Daily*. Some schemes such as county workers' pension fund CPF and National Social Security Fund have their

REGULATION Acting RBA chief executive Nzomo Mutuku. –FILE

fiscal years ending in June, and must therefore publish results by close of September.

This is after Treasury secretary Henry Rotich, through the Finance Act 2016, introduced amendments defining the reporting period

1 TRN SHILLINGS
The value of Kenya's pension industry.

for retirement schemes effective January 2017. The new requirement forcing retirement schemes to publicly publish their financial reports is a fresh strategy to enhance transparency and integrity in Kenya's Sh1 trillion pension industry.

Kenya's pension schemes are seen to be largely opaque, with many lagging in their reporting, leaving pensioners and contributors groping in the dark. State-backed NSSF released its financial statements for the period to June 2015 mid last year and is yet to publish results for the year to June 2016. Alexander Forbes Kenya chief executive Sundeep Raichura though said employer-sponsored schemes only need to submit their financials to the regulator, but public schemes must publish their performance in the dailies.

The new reporting timeframe for the pension industry puts retirement benefits schemes at par with commercial banks and deposit taking micro-financiers and insurance firms.