

**MINUTES OF THE 17<sup>TH</sup> ANNUAL GENERAL MEETING OF THE LOCAL  
AUTHORITIES PENSION TRUST [LAPTRUST] DB SCHEME HELD AT CPF  
ANNEX VICTORIA HALL, NAIROBI ON FRIDAY 26<sup>TH</sup> JUNE 2020  
STARTING FROM 10:30 A.M.**

**PRESENT**

**TRUSTEES**

Dr. George Kwedho	-	Trustee/ Chairman
Mr. John Oscar Juma	-	Trustee
Mr. Peter Kitesho	-	Trustee
Mr. Charles Sunkuli, CBS	-	Trustee
Ms. Matilda Jebet	-	Trustee
Mr. Hosea Kili, OGW	-	Trustee
Ms. Taslim Wason	-	Co-opted Audit Committee member DB Scheme.

**ADMINISTRATOR**

Dr. Julius Kipngetich, EBS, MBS	-	Chairman
Mr. Maurice Nduranu	-	Director
Dr. Ben Mkalama	-	Director
Mr. Steve Lugalia	-	Director
Ms. Catherine Nyambala	-	Director
Ms. Margaret Osure	-	Director
Ms. Sahlan Keinan	-	Director
Mr. David Mogere	-	Chair-LIB
Ms. Isabel Juma	-	Co-opted Audit Committee Member
Ms. Elizabeth Omoro	-	Chair-Laser
Ms. Nyakan Munyeki Management & Staff	-	Chair-LITEs

**IN ATTENDANCE**

H.E. Wycliffe Oparanya	-	Governor, Kakamega County
H.E James Ongwae	-	Governor, Kisii
Hon. Johnson Osoi	-	Chairman, County Assemblies Forum

**FUND MANAGERS**

Einstein Kihanda	-	ICEA Lion
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**CUSTODIANS**

Gideon Chokah	-	Standard Chartered Bank
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**AUDITOR**

Samuel Mwangi	-	Price Waterhouse Coopers (Auditors)
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## **ACTUARY**

Adil Suleman - Zamara  
Neil Gurdha - Zamara

## **RETIREMENT BENEFITS AUTHORITY**

Caroline Wanjala - RBA

## **OTHER STAKEHOLDERS AND GOVERNMENT OFFICIALS**

1. Hon. James Ndegwa Wahome - Chairman, County Assemblies Forum
2. Mr. Michael Mangeli - Chairman, Water service providers Association
3. Mr. Anthony Ambugo - CEO, Water service providers Association
4. Hon. David Shadrack Rotich - Speaker, Bomet County Assembly
5. Bishop Stephen Ndichu - Speaker, Nyandarua County
6. Hon. Roba Duba - Secretary General, KCGWU
7. Ezra Ngoje - Chair, County Pensioners Association

## **MEMBERS & EMPLOYERS**

Speakers of the County Assemblies - Delegates  
Clerks of the County Assemblies - Delegates  
KCGWU Branch Chairpersons - Delegates  
Directors/Executive Members - Delegates  
Members of the County Assemblies - Delegates  
CPSB Chairmen and Secretaries - Delegates  
MDs' and Finance Managers - Delegates  
WASPA officials - Delegates  
KLGWU Branch Secretaries - Delegates  
CPA Chairman - Delegates  
CPA Secretary - Delegates  
Members - Delegates

## **AGENDA**

1. *Introduction and opening remarks*
2. *Address by Chief Guest*
3. *Reading of the Notice of the meeting*
4. *Reading and taking note of the minutes of the 16<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> June 2019*
5. *Presentation of the Chairman's report*
6. *Presentation of the Administrator's report*
7. *Presentation of the Investment Manager's reports*
8. *Presentation of the Scheme's Custodian Reports*
9. *Presentation of the Financial Statements and Audited Accounts for year 2020*
10. *Award Ceremony*
11. *Question and Answers*
12. *Presentation by Stakeholders of the Scheme*

### 13. Vote of thanks

#### **MIN.1: 26.6.2020: INTRODUCTION & OPENING REMARKS**

The meeting was called to order at 10.15 a.m. and the opened by singing the East African Anthem.

Margaret Martin, a public health Officer from the Nairobi City County assured members that sanitization of the venue and social distancing requirements by the Ministry of Health had been observed when planning the meeting further confirmed that the meeting was in concurrence with the government guidelines.

The Chairman CPF Financial Services, Dr. Julius Kipng'etich recognized the presence of and welcomed all the dignitaries, the regulator, trustees, directors of the various boards, the members of the scheme as well as management of the Administrator to the AGM. He recognized the presence of the fund managers, custodians and auditors. He emphasized the importance of ensuring that members continue observing the guidelines given by the Ministry of Health to flatten the curve of the COVID pandemic. In his remarks, he spoke about the culture of saving and encouraged all members present to save.

In his final remarks, he commended the Board of trustees led by Dr. Kwedho, the Corporate trustees, the Board of the administrator, management of the administrator, all stakeholders for all their efforts in managing the Schemes and lastly thanked all the sponsors for remitting the contributions.

#### **MIN.2: 26.6.2020: KEYNOTE ADDRESS BY THE CHIEF GUEST**

His Excellency, Hon. Wycliffe Oparanya, the Chairperson Council of Governors and the Governor, Kakamega County expressed great pleasure and honor to attend the CPF Schemes' Annual General Meeting. He thanked the CPF Group Managing Director, Mr. Hosea Kili, and his able team for ensuring that the AGM was held virtually despite of the numerous challenges and hurdles that persist in the country and indeed the whole world today.

The Governor informed the stakeholders and members that beyond protecting people from occupational risks, securing their retirement and cushioning members against the short and long-term economic and health impact of the pandemic, Pension funds can be leveraged to adequately protect individuals, households and businesses from the adverse social and economic repercussions of the crisis. He retaliated that, the Council of Governors was keen on engaging stakeholders to put in place legislation and measures geared towards the installation of social safety nets for the people and to help cushion them during times such as these.

The Governor acknowledged that the industry had made great strides and it was best demonstrated by the fact that the industry's assets had exceeded Kshs 1.0 Trillion, and coverage has surpassed the 20 percent of the labour force mark.

He noted that despite the efforts made by the National Government including the Big 4 Agenda, a big scope remained for further development, and it is for that reason that the Retirement Benefits Authority (RBA), led by the National Treasury, was actively involved in a number of exciting collaborative industry initiatives such as working as the Secretariat to the Task force on the Draft National Retirement Benefits Policy whose objective was to prepare an overarching policy on retirement benefits. The policy was to provide adequate, affordable, and sustainable retirement benefits to Kenyans through a robust pension system. This was a timely endeavor given that effective social security policies could contribute to improving the environment for economic growth in Kenya.

He thanked CPF for not only supporting the Big Four agenda, but also for the role they took in shaping the industry. He acknowledged the innovative approach CPF Financial Services took to social security to create sustainable financing of social protection programs in Kenya. He emphasized the need to ensure that the crafting of a uniform Social Security policy will require a collaborative and consultative multi-stakeholder approach to ensure that the concerns of all stakeholders were taken into consideration.

The Governor noted that part of the pressures of globalization meant that countries had to begin to develop and facilitate development through pooling local investments; and pension funds were the ideal vehicle. He urged the Trustees and members of CPF's schemes to consider more projects geared towards helping the government solve some of the existing problems, even as they make fair returns for the scheme members.

In conclusion he urged the stakeholders and delegates to think broader and deeper about the matter of social protection for the citizens and emphasized that the solution to the problems the government was facing in providing for the vulnerable in society lay with the industry stakeholders. He assured that if the Government and the Pension sector stakeholders worked together, they would generate and implement better ideas, as the Government sought to the gap between policy developments and effective programs.

**MIN.3: 26.6.2020: READING OF THE NOTICE OF THE 17<sup>TH</sup> ANNUAL GENERAL MEETING**

The Notice convening the 17<sup>th</sup>Annual General Meeting of the Local Authorities Pensions Trust, was read by the Board Secretary. It was noted that the Notice had been published in the two daily newspapers (Daily Nation and The Standard) as required and within the statutory timelines of 21 days.

The Agenda was adopted as tabled.

**MIN.4: 26.6.2020: READING & APPROVAL OF THE MINUTES OF THE 16<sup>TH</sup> AGM HELD ON  
27<sup>TH</sup> JUNE 2019**

The minutes were taken as read and confirmed as a true record of the deliberations of the 16<sup>th</sup> Annual General Meeting as proposed and seconded by Susan Mutemi Treasurer Nairobi Water Union and Charles Makini a member from Nairobi City Water Staff 2794 respectively.

#### **MIN.5: 26.6.2020: PRESENTATION OF THE TRUSTEE'S REPORT**

The report was presented by the Chairman, Dr. George Kwedho and assured the members that the Board of Trustees continued to oversee the fund activities and management of the scheme to ensure it achieves optimum return. Some of the highlights of the report included the following;

- The Laptrust scheme is still a closed Scheme and hasn't admitted new members since June, 2011 and it shall continue serving the members till the last member retires and the last beneficiary is paid.
- The Scheme's value increased from Ksh.30.5 billion in 2018 to Ksh.33.1 billion as at 31<sup>st</sup> December 2019 reflecting a growth of 8.5%.
- The growth was attributed to positive investment performance and the Management's efforts in collecting outstanding debts.
- The unremitted contributions from members stood at Ksh.21.8B and the Trustees have put in place active strategies to ensure the settlement of outstanding debts.
- An actuarial valuation was conducted in April,2019 and Scheme's funding was 78% and to improve the position the Trustees are engaging sponsors to settle the debt to improve the rate of funding to 100%.
- The Trustees have approved the one-off increment of pension increase to a maximum of 3% and minimum pension of Kenya Shillings Five Thousand for principal pensioner effective July 2020
- The Scheme celebrated its 90 Year Anniversary on 3<sup>rd</sup> June,2019 at Charter Hall and it was an opportunity to engage the stakeholder and members and highlighting the study by Infotrack Research and Consulting. The study established that fewer Kenyans were saving for retirement and thus deepening the Post Retirement time bomb.
- The Trust is regulated by the Retirement Benefits Authority and complies with other Authorities like the Kenya Revenue Authority and Unclaimed Financial Assets Authority. The Trustees have ensured continued compliance monitoring to ensure that the Trust is compliant with the regulations of the authorities.
- The Trust was successfully audited by the Unclaimed Financial Assets Authority and found to be fully compliant.
- Lastly, he expressed his gratitude to the Members, Beneficiaries and Pensioners the Regulator, the county Governments, Water Companies & associated entities, the board of trustees and the Administrator.

#### **MIN.6: 26.6.2020: PRESENTATION OF THE ADMINISTRATOR'S REPORT**

Mr. Hosea Kili, OGW, the CPF Group Managing Director/CEO presented the Administrator's Report for the year ended 31<sup>st</sup> December 2019.

The Corporate Administrator noted that despite 2018 being a tough year for the Financial Services sector and the Scheme being a closed scheme (not registering any new members),

the scheme posted positive results for its members. A summary of the status of the Scheme is as detailed below;

- The Scheme fund value grew from Ksh.30.5B in 2018 to 33.1B in 2019
- The Scheme had an estimated debt of Ksh.20B which sponsors and the Regulator are requested to pay and intervene respectively
- The Scheme's active membership stood at 20,074 compared to 19,055 in the previous year
- Pensioners increased to 7,323 from 7,098

Mr. Kili informed the members and stakeholders that despite the Covid-19 Pandemic, the Administrator had continued offering services to their members and highlighted the achievements as follows;

- ✓ E-wallet for our scheme Pensions Payment
- ✓ Biometric member life verification of our pensioners
- ✓ Auto Confirmation of Contribution Remittances
- ✓ Member Statements availability on website real time
- ✓ Sponsor Pension Committees to keep members updated
- ✓ Risk Management Framework in place for the schemes

It was also noted that various legislations had been amended or enacted and they affected the members and stakeholders. These laws were;

#### 1. Retirement Benefits Authority Act

- a) S 38 of the Act had been amended to allow partial pre-retirement access of Pension Savings to purchase a residential home by a member as a benefit from the Scheme.
- b) S 45A was amended to provide for the circumstances under which pension benefits may be considered to be **Unclaimed Financial assets** within the meaning of section 13 (1) of the Unclaimed Financial Assets Act, 2011.

The amendment bestowed upon the Trustees and Custodians a duty to surrender to the Unclaimed Financial Assets Authority any unclaimed or otherwise abandoned retirement's benefits as provided for under Sections 20 and 22 of the Unclaimed Financial Assets Act, 2011. The Administrator guided that pursuant to the Circular by the regulator dated 3<sup>rd</sup> February, 2020, the Unclaimed Assets were;

- i) Retirement Benefits in respect of a member who had attained the retirement age prescribed by law or in the Trust Deed and Rules of the scheme that have not been claimed for two years from the date they fell due and where there had been no communication from the member with respect to his/her benefits. Trustees were required to make every effort to trace the member prior to the expiry of the two-year period.

- ii) Death benefits that had not been claimed for two years from the date they fell due. The provisions of the Retirement Benefits Act and the Regulations with regard to payment of death benefits shall apply.
  - iii) Retirement benefits in respect of members who has not been traced and that remained unclaimed within a period of two years from the completion of winding up proceedings of a scheme
2. The County **Governments Retirement Scheme Act, 2019** was enacted in the year 2019 and it established a new scheme for county government employees and proposed the winding up of Laptrust DB Scheme and Lapfund Scheme within a transitional period of five years.
- The said Act has been subjected to multiple court cases by County workers and other stakeholders challenging its constitutionality. The operationalization of the Act has been halted by the Court pending the hearing of the Petitions before the Court. It was noted that the LAPTRUST Board of Trustees were unhappy with the contentious provisions of the said Act and therefore proceeded to challenge the same in Court, alongside other stakeholders. Despite the court cases, the LAPTRUST Scheme were amenable to amicable settlement of the legal dispute especially if the Act is amended to, among other things:
- (a) Correct the various provisions which were unconstitutional and inconsistent with the Retirement Benefits Act and other written laws;
  - (b) Protect the benefits of members of the schemes from reduction or interference contrary to the law;
  - (c) Protect the investments of Laptrust DB Scheme including the administrator which it fully co-owns with the County Pension Fund;
  - (d) Ensure that the defined benefits obligations of Laptrust DB Scheme were not commingled with defined contribution obligations of the other schemes;
  - (e) Liabilities and actuarial deficits of the various schemes arising from non-remitted contributions be provided for under the Act;
  - (f) Pensioners receiving pensions to be protected by the Act.
3. The Retirement Benefits (Treating Customers Fairly) Guidelines, 2019 which were published via Legal Notice No. 151 of 2019. The objectives thereto are set under Guideline No. 5 which indicated that customers, who are the members, beneficiaries or Trustees of a scheme, are to be treated fairly by the Service providers, *inter alia*.
4. The Retirement Benefits (Good Governance Practices) Guidelines, 2018 which were published via Legal Notice No. 193 Of 2018. The purposes of the Guidelines were set up under Guideline No. 3 thereto as hereunder: -

- a) To enable sponsors, members, trustees and service providers to implement and promote proper standards of conduct and sound governance practices; and
- b) To ensure that sponsors, members, trustees and service providers exercise their fiduciary duties effectively and diligently

Mr. Kili reiterated on the importance of social security matters noting that 86% of Kenyans did not have access to pension and called for 100% pension contribution by all citizens in the country, and this, he noted, could be achieved through a mandatory pension system. He informed the members that he had agreed to partner with the government to address this issue.

The Administrator affirmed the members and stakeholder that they shall continue embracing digitization and new technologies in a bid to widen coverage and offer more Kenyans security in retirement. He noted that despite the challenges posed by the Covid-19 pandemic, he was optimistic that objectives of growing the fund would be attained.

Lastly, Mr. Kili appreciated the Board Trustee for their stewardship and support, the strategic partners and all stakeholders including the Regulator, professional bodies, the Schemes service providers, the members of the Scheme, the sponsors, the CPF Board and the entire management team and staff for their respective roles in ensuring the Scheme is professionally managed for purposes of safeguarding the interests of the members.

#### **MIN.7: 26.6.2020: PRESENTATION OF THE INVESTMENT MANAGER'S REPORT**

The fund Managers' report was presented by Mr. Einstein Kihanda of ICEA on behalf of all the fund managers of the scheme which included Britam and Stanlib as at 31<sup>st</sup> December 2019.

The Delegates were informed that the role of the Fund Managers of the Scheme included;

- Security Selection for Optimal Return to Investors
- Implements the Funds' Investment Policy Statement
- Ensures the funds are fully compliant to the regulatory guidelines
- Reports to trustees on a quarterly basis on Fund Status, Investment Actions taken, and the Outlook for the coming Quarter
- Present the Fund Report during the Annual Members meeting

The performance for the markets in 2019 which covered various areas including the following:

- Currency was stable lower demands for imports, increase remittance from diaspora
- Shilling strengthened against the dollar but the opposite is expected in 2020 as a result of the COVID 19 pandemic
- Property market expected to improve owing to the repeal of the interest rates. However, this will be negatively affected by the pandemic despite the measures put in place by the Government to mitigate the pandemic.

The Fund Managers reported that portfolio allocation comprised of **Ksh.31,418,492,000** allocated as follows:

Asset Class	Asset Allocation Summary (Shs '000)			
	2019	Allocation (%)	2018	Allocation (%)
Cash & Cash Equivalent	438,603	1.40%	247,465	0.84%
Term Deposits	827,644	2.63%	933,520	3.18%
Government Securities	10,852,047	34.54%	10,864,307	36.95%
Corporate Bonds & REITs	310,362	0.99%	560,365	1.90%
Quoted Equities	2,888,750	9.19%	2,574,441	8.75%
Unquoted Equities	1,429,818	4.55%	1,422	4.84%
Investment in Property	14,605,908	46.49%	12,757,301	43.39%
Private Equity	24,380	0.08%	10,746	0.04%
Offshore Investments	40,980	0.13%	33,632	0.11%
<b>Total</b>	<b>31,418,492</b>	<b>100%</b>	<b>29,402,612</b>	<b>100%</b>

The Fund Managers reported that the fund had grown in value from Kshs.31,418,492 Billion in 2018 to Ksh.29,402,612 Billion in 2019 which was a commendable growth.

Finally, the Fund Managers assured the Members of their operation within the regulations and guidelines issued by the Retirement Benefits Authority as well as the Investment Policy Statement by the Trustees.

The Fund Managers' Report was adopted by members as presented.

#### **MIN.8: 26.6.2020: PRESENTATION OF THE CUSTODY REPORT**

The Custody Report was presented by Mr. Gideon Choka of Standard Chartered Bank Ltd representing the other custodians namely KCB Bank and Equity Bank.

The Custodians explained to the delegates their roles and responsibilities as Custodians in the safe keeping of the financial assets of the Fund and servicing the portfolios related to those assets. Broadly, their core responsibilities include safekeeping of Fund assets and Asset servicing in a transparent manner thus minimize risk. The primary goal of the Fund Managers is to optimize the investment returns that it makes on the invested assets as the Custodian does investment administration.

Other responsibilities include:

- Taking all assets into custody and carry out all transactions as appertains scheme assets;
- Timely collection of dividends and representing client in meeting of companies where scheme is invested to push for certain positions

- Undertaking investments as guided by the Fund Managers;
- Ensuring that each party undertakes his expertise
- Adheres to retirement regulations
- Transaction settlement of transactions which includes the buying and selling of the investments and the assets registered to the respective schemes
- Collecting all income arising out of investments carried out such as dividends collected and divested as directed by the fund manager
- Ensuring that scheme participates in corporate actions such as IPOs, bonus issues in order to enhance returns on investments
- Facilitating foreign currency investment

### **Statutory Obligations**

- Licensed by the Central Bank of Kenya as a commercial bank
- Licensed by the Capital Markets Authority as an authorized depository agent
- Licensed by the Retirement Benefits Authority
- Must maintain segregated bank accounts for the different assets
- Periodically reporting to trustees on the investment undertaken by the fund
- Keep proper books and transactions settlement for the investments
- Observes all regulatory framework so as to maintain assets of the scheme
- Maintain technical capacity and adequate operational systems to manage the Scheme

The Custodians confirmed that the investment portfolio of the Scheme amounts to Ksh.31,418,492,000.

Members of the Scheme were assured that their investments were safe under their custody.

### **Investment Portfolio – Asset under Custody**

Asset Category	2019
	(Kshs.) '000
Cash Balance	438,603
Short Term Deposits	827,644
Government Securities	10,852,047
Corporate Bonds & REITs	310,362
Quoted Equities	2,888,750
Unquoted Investments	1,429,818
Investment in property	14,605,908
Private Equity	24,380
Offshore investments	40,980
<b>Total</b>	<b>31,418,492</b>

Members adopted the report as presented.

**MIN.9: 26.6.2020: PRESENTATION OF THE FINANCIAL STATEMENTS & AUDITED ACCOUNTS  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2019**

Mr. Samuel Manko on behalf of the Scheme Auditors Messrs. Price Waterhouse Coopers presented their Report to the members and confirmed that the audited financial statements of the Trust gave a true and fair financial position of the Scheme as at 31<sup>st</sup> December 2019 in accordance to the International Financial Reporting. The Financial statements comprised of statements of net assets available for benefits and the statement of changes in net assets and cash flows for the year ended.

They confirmed that the Audit was conducted in accordance with the International Standards on Auditing (ISAs) and that they were independent of the Scheme in accordance with the International Ethics Standards Board for Accountants (IESBA) and had fulfilled their ethical responsibilities in accordance with International Code of Ethics for Professional Accountants (IESBA Code).

The Auditor's noted that the engagement partner responsible for the independent audit was FCPA Richard Njoroge, Practicing Certificate No. P/12444 who was a practicing accountant and signed the accounts.

The Accounts were adopted by members as presented.

**MIN.10: 26.6.2020: REMARKS BY SCHEME STAKEHOLDERS**

***Remarks by Mr. Antony Ambugo – CEO Water Services Providers Association***

He expressed they were grateful to be associated and being part of the 17<sup>th</sup> AGM despite the prevalence of the Covid 19 pandemic and congratulated them. He promised to continue promoting more companies to join the Pension Scheme since they were important to secure the future after retirement. He appreciated the BOT, Administrator and Staff and acknowledged the donation of 2000 LTRS OF hand washing soap which were distributed to 60 water utilities

***Remarks by Mr. Michael Mangeli – Chairman, Water Services Providers Association***

He congratulated the team for the 17<sup>th</sup> AGM and appreciated that pension is remitted to the retired members and encouraged the management to diversify the investments so to improve the returns to pensioners. He promised to ensure remittance of the contributions are done on time so as to ensure that investments are done.

***Remarks by Ezra Ngoje – Chairman Laptrust Pensioners Association***

He appreciated the Board of Trustees and the Administrator for paying the Pensioners consistently on every 24<sup>th</sup> day of each month and appealed that the pension benefits be increased as the same was overdue. He appealed to the Govt not to dissolve the Pension scheme as it would not be beneficial to the pensioners under the scheme. He further urged the Govt not to tax the pension funds the pensioner receive as it was detrimental to the

pension. He encouraged members to join the pension schemes to secure their future especially after leaving employment.

**Remarks by Caroline Wanjala- Retirement Benefits Authority**

She relayed the CEO's apologies for not attending the AGM and congratulated the Schemes for holding the Virtual AGM and having a live broadcast and appreciated that schemes were embracing the technology to connect with its members and continue providing information and services despite the pandemic.

The Regulator appreciated the effects of the pandemic affected remittance of contributions and had seen early access to retirement benefits. The regulator urged the County Governments and Council of Governors to ensure the Retirement Benefits is a prime objective to ensure that upon retirement, Kenyans would live a comfortable life.

The Regulator noted that pandemic had affected the economic environment and the Fund Managers were called upon to be innovative in investing scheme assets to cushion members. The Trustees were called upon to be proactive, engage the service providers, to benchmark with their peers, to incorporate best practices and management of schemes to ensure optimum returns.

The Regulator emphasized the need to embrace technology in its operations to ensure that expenditure is reduced and congratulated the Administrator for embracing technology and saving expenses in organizing the Virtual AGM and the Board Meetings.

The Regulator noting that 62% of Kenyans own mobile phones encouraged low savings to be done on the Pension Scheme digital platform. The Regulator encouraged Pension Schemes to enhance pension digital remittance to saving accounts and applauded CPF Financial Services for operating the M-Pension Scheme and emphasized that digital platforms promoted timely and convenient saving of pension and ultimately withdrawal upon retirement.

The Regulator encouraged the Pension Schemes and Administrators in their operations to include unforeseen pandemic in future business plans and projections and rethink Business Continuity Plan.

The regulator noted that as at 31<sup>st</sup> December, 2019, the industry held assets worth 1.29 Trillion as opposed to the 100B in the year ending 2001. The Assets had been invested in different categories with Government Securities yielding the highest returns of 42%. In the year ending, the regulator noted that unlike 2018, the Schemes invested about 0.1% of Funds into Private Equities. The overall enrollment into Retirement Benefits Pension Schemes stood at 3.2M which translated to 22% of the labour force.

To reach out to low income earners, the Regulator had rolled out the Outreach program that was sensitizing them to join Pension Scheme since they are largely uncovered.

The Regulator informed the members and the stakeholder of the enactment of the Tax Amendment Act that amended S38 of the Retirement Benefit Act and thus allowing members of retirement benefits schemes to purchase a house and the same time saving for the retirement.

The regulator noted that the Scheme was fully compliant with the Act and Regulations but noted that it had exceeded the limit on property investment, but the Scheme had presented a remedial plan and it was being considered. The Regulator confirmed that the Scheme's Asset stood at 33B in the year ending 2019 though the Counties and Water Companies still owed a huge debt and this has seen the Decline of funding level from 80.4% in 2016 to 78.3% in 2018 and there is need for schemes remain in good financial position and the counties are requested to settle the debts to avoid the incurring penalties.

The Regulator noted there was need for counties to have a new start with the Retirement benefit scheme arrangements and that necessitated the enactment of the County Government Retirement Scheme, 2019 creating the County Government Retirement Benefits Scheme.

In conclusion, the Regulator assured its continued support to the Scheme and shall continue to offer guidance and regulatory support.

#### **MIN.11: 26.6.2020: QUESTION & ANSWER SESSION**

The Question-and-Answer Session was facilitated by Mr. Hosea Kili, and Members' concerns were adequately and satisfactorily addressed.

#### **MIN.12: 26.6.2020: AWARD CEREMONY**

The following Sponsors were recognized for various awards under various categories. The award ceremony was facilitated by the Robert Kemei.

### **1. Timely Remittance**

#### ***County Governments***

1. Nakuru County
2. Uasin Gishu County
3. Kwale County

#### ***Water Companies & Other Associated Sponsors***

1. Nairobi City Water & Sewerage Company
2. Nakuru Water & Sanitation Company
3. Kisumu Water & Sewerage Company

**MIN.13: 26.6.2020: VOTE OF THANKS**

The vote of thanks was given by Oscar Juma, a Trustee of the Board of Trustees of Laptrust Scheme. In his closing remarks, Trustee Juma thanked all stakeholder, including the Board of Trustees, the Administrator's Board, the RBA and services providers and assured the Regulator that all the issues raised would be addressed, especially the compliance with property portfolio, which the Board of Trustees were working tirelessly to ensure the same is corrected. He further commended the administrator for adopting technology for purposes of conducting the AGM.

There being and being no other business, the meeting ended 1.30pm.

**Signature in Confirmation of Minutes:**

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**DR. GEORGE KWEDHO**  
**CHAIRMAN, BOARD OF TRUSTEES**

\_\_\_\_\_  
**DATE**