



REPORT ON RETIREES' AND
PENSIONERS' SURVEY 2008

Research & Development
Department

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Safeguarding your retirement benefits

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1. INTRODUCTION

Over the years, the Retirement Benefits Authority has continued to use research as a tool for industry development, and surveys as an opportunity to involve stakeholders in the policymaking process. Research continues to be aimed at supporting the Authority's strategic objectives to:

1. Streamline the retirement benefits sector by 30th June 2009;
2. Increase the level of coverage by 5% by 30th June 2009;
3. Increase compliance levels to 80% through improved supervision to protect members' benefits by 30th June 2009;
4. Increase benefits replacement rates from 20% to 30% by 30th June 2009; and,
5. Strengthen institutional capacity to continually deliver quality service to stakeholders.

In 2002, 2003 and 2004, the Retirement Benefits Authority conducted its first, second and third Retirees' and Pensioners' Surveys. The surveys were aimed at identifying the needs of retirees and pensioners and making policy recommendations that would be beneficial to these individuals. In 2005 and 2007, the Authority conducted its first Members' and Trustees' Surveys.

Following each Survey, the Authority was able to make policy recommendations to the Minister for Finance. Some of the policy recommendations and their anticipated effects on the industry are discussed in this paper.

Having conducted baseline surveys for these important industry stakeholders, the Authority conducted its fourth Retirees' and Pensioners' Survey in June 2008. This survey was aimed at:

1. Establishing the challenges facing retirees and pensioners with regard to their retirement benefits;
2. Identifying the importance of pension income for pensioners;
3. Establishing Kenya's current pension income replacement ratio;
4. Enumerating the applications of lump sum benefits by respondents;
5. Assessing retirees' and pensioners' appreciation of key legislative changes affecting retirement benefits; and,

6. Assessing the impact of RBA's pre-retirement training on retirees and pensioners.

The policy recommendations from this survey are anticipated to support RBA's objectives of increasing benefits replacement rates from 20% to 30% by 30th June 2009 and strengthening institutional capacity to continually deliver quality service to stakeholders.

2. THE IMPACT OF PREVIOUS SURVEYS ON THE RETIREMENT BENEFITS INDUSTRY

2.1. Taxation

Taxation of retirement benefits continues to be an important issue for retirees and pensioners. In past pensioners' surveys, retirees and pensioners cited taxation as an area that the Authority should address with regard to retirement benefits.

In 2007, the Minister for Finance excluded pensioners aged 65 and above from taxation on their pensions. In 2008, the Minister for Finance further excluded individuals aged 65 and above from taxation of their lump sum retirement benefits.

In addition to these exclusions, pensioners earning up to KShs. 15,000 per month in pensions are excluded from taxation if they have other sources of income. If they have no other sources of income, pensioners enjoy tax-free pensions of up to KShs. 26,000. Individuals who have worked for at least 10 years enjoy a tax-free lump sum of KShs. 480,000.

Members of retirement benefits schemes also enjoy a tax-free limit of KShs. 20,000 per month on contributions going into a retirement benefits plan.

2.2. Sufficiency of Pension

In past surveys, members of retirement benefits schemes cited insufficiency of pension as a problem that they had to grapple with in retirement. The information in the table below shows legislative amendments and their expected income on the welfare of retirees:

	Legislative Change	Expected Impact
1.	<i>Revision of vesting periods</i> The vesting period for the employer's portion of contributions was reduced to one year.	The early vesting and preservation of the employer's portion of contributions, as well as the power of compounding is likely to increase income replacement rates significantly in the years to come.
2.	<i>Introduction of preservation rule</i> Individuals leaving a retirement benefits scheme after having been members for at least a year cannot access their employer's portion of contributions, except if they're leaving the country with no intention of return or can be considered for retirement on medical grounds.	
3.	<i>Benefits payment period</i> All retirement benefits must be paid within a period of 60 days.	This legislation has reduced the number of occurrences of late benefits payments for reasons regarding non-scheme matters.
4.	<i>Trivial Pensions</i> Individuals whose pension will amount to less than KShs. 7,398 have the right to appeal to members of the Board of Trustees to commute their retirement benefits into a one-off lump sum.	This rule has been warmly welcomed by retirees and is anticipated to reduce the number of individuals receiving what they consider to be an uneconomical pension.
5.	<i>Assignment of Benefits to Secure Mortgages</i> Members of retirement benefits schemes will be able to use their retirement benefits as collateral for mortgages.	The introduction of regulations to support this change is likely to increase the number of individuals who can access mortgages and thus increase their income replacement rate by getting rid of rent obligations.

	Legislative Change	Expected Impact
6.	<i>Annuities</i> Retirees can now opt for income draw down instead of taking up an annuity.	This new option is expected to increase competition in annuity provision and provide better annuity rates for pensioners.
7.	<i>Registration of scheme administrators</i> External administrators are now licensed annually by the Retirement Benefits Authority. Internal scheme administrators are also aware of their responsibilities in accordance with the Retirement Benefits (Administrators) Regulations.	The establishment of guidelines for scheme administration has increased the efficiency of scheme administration services and will continue to increase scheme members' protection.

3. METHODOLOGY

1. The population of interest was identified as retirees from all retirement benefits schemes in Kenya, excluding the NSSF.
2. A sample was collated from self-administered schemes whose trustees/administrators had sent lists of their retirees and from externally administered schemes that had sent the lists of retirees within the specified period.
3. Trained enumerators were charged with the responsibility of conducting face-to-face interviews with the members of the sample and returning the completed questionnaires to the Authority.
4. The Authority received 240 completed questionnaires once the interview process had been completed. One questionnaire was incomplete.
5. The completed questionnaires were coded and data was entered and analysed using Microsoft Excel.

The sample comprised 547 retirees and pensioners from various towns in Kenya. There were 240 respondents, who represent 44% of the sample. The number of respondents has increased by 110% from the 110 respondents during the last Retirees' and Pensioners' Survey.

A questionnaire was used as the research tool for the exercise and is attached to this report as Appendix I. The questionnaires were administered by trained enumerators who conducted face-to-face interviews with the members of the sample.

4. LIMITATIONS

1. The contact details requested by the Authority were not provided by all retirement benefits schemes and scheme administrators. The sample selected for representation of the retirees and pensioners is therefore likely to be biased towards better administered retirement benefits schemes.
2. The contact details availed for some retirees and pensioners were inaccurate and therefore could not be used to establish contact with the individuals in the sample. In these instances, interviews were not conducted with the selected members of the sample. This inaccuracy of contact details is also likely to bias the outcomes of the survey.
3. The Authority still does not have a comprehensive list of pensioners and therefore cannot accurately account for the proportion of retirees and pensioners represented in the survey.

In light of these limitations, the data collected has not been used to make inferences. As in the past, it has been used as an indication of factors affecting the members of the sample. However, the Authority is of the view that the recommendations made from the data collected are crucial to the development of the industry and continue to be a vital source of information for further research on the industry.

5. SURVEY FINDINGS

5.1. Section I:Retiree Profile

1.

	2008	2004	2003
Sample size	547	500	NA
Respondents	240	110	107

2. Age profile

	2008	2004	2003
Average age	58.0 years	59.0 years	54.7 years
Males (average)	58.0 years	60.0 years	60.3 years
Females (average)	58.0 years	55.3 years	49.1 years

The average age of respondents over the years is a stark contradiction of the perceived life expectancy of less than 55 years.

3. Gender (%)

	2008	2004	2003
Males	68.2	76.1	74.8
Females	31.8	23.9	25.2

4. Marital status (%)

	2008	2004	2003
Single	5.9	1.8	6.5
Married	82.4	84.5	72.1
Widowed	10.5	12.7	20.6
Divorced	0.0	0.9	0.0
Separated	1.3	N/A	N/A

5. Locations of residence before and after retirement (%)

Location	2008		2004	2003
	Before	After	After	After
Nairobi	39.7	23.4	32.8	34.6
Central	25.1	31.0	14.6	20.6
Coast	6.7	7.5	7.2	8.4
Eastern	6.3	9.6	13.6	8.4
North Eastern	0.0	0.0	0.0	0.0
Nyanza	10.0	12.6	10.0	11.2
Rift Valley	10.9	11.3	10.0	6.5
Western	1.3	4.6	11.8	10.3

Data on locations of residence before retirement is not available for 2003 and 2004. The **decrease** in number of individuals living in **Nairobi** from **39.6% to 23.3%** before and after retirement and the **increase** in the number of individuals living in **all other provinces** after retirement indicates **urban-rural migration after retirement**.

No data is available on the reasons for moving to rural areas after retirement.

6. Dependants (Number of respondents)

Age of dependants	Male retirees	Female retirees
Up to 6 years	32	16
7 – 14 years	68	22
15 – 18 years	82	18
19 – 24 years	91	30
Over 24 years	103	43
No dependants	8	11

The majority of retirees have at least one dependant that they are catering for in their retirement. The majority of dependants are still of school-going age.

It is likely that retirees' financial burdens have been eased with the introduction of free primary and subsidised secondary education, although data to verify this assumption is not available.

7. Period since retirement

Period	Respondents (%)
Less than 6 months	6.7
6 months – less than 1 year	13.4
1 year – less than 3 years	47.3
3 years – less than 8 years	28.5
More than 8 years	3.3

The majority of respondents retired after the introduction of the preservation rule. However, due to their proximity to retirement age when the rule was introduced, it is assumed that the preservation rule did not have significant impact on their retirement benefits.

5.2. Section II: Retirement Profile

8. Scheme that respondent retired from and scheme preferred (%)

	Retired from		Prefers		
	2008	2004	2008	2004	2003
Pension scheme	86.6	73.6	84.5	61.8	67.3
Provident fund	11.7	15.5	10.0	16.3	17.8
Not aware	0.4	10.9	3.8	21.8	15.0

Data regarding the schemes that respondents to the 2003 survey retired from is not available.

It is encouraging to note that the proportion of individuals who do not know the type of their retirement benefits scheme reduced from **10.9%** in 2004 to **0.4%** in 2008.

9. Scheme preference

	Was a member of	Prefers	Proportion of group (%)
1.	Pension scheme	Pension scheme	88.4
	Pension scheme	Provident fund	7.2
	Pension scheme	Not aware	3.4
2.	Provident fund	Pension scheme	60.7
	Provident fund	Provident fund	32.1
	Provident fund	Not aware	7.1
3.	Not aware	Pension scheme	100.0
	Not aware	Provident fund	0.0
	Not aware	Not aware	0.0

The majority of respondents in each group prefer a pension scheme to a provident fund.

10. Scheme preference

Was a member of	Prefers	Proportion of all respondents (%)		
		2008	2004	2003
Pension scheme	Pension scheme	76.6	48.2	59.8
Pension scheme	Provident fund	6.3	13.6	13.1
Pension scheme	Not aware	2.9	11.8	7.5
Provident fund	Pension scheme	7.1	10.0	5.6
Provident fund	Provident fund	3.8	2.7	3.7
Provident fund	Not aware	0.8	2.7	0.9
Not aware	Pension scheme	0.4	3.6	1.9
Not aware	Provident fund	0.0	0.0	0.9
Not aware	Not aware	0.0	7.3	6.5

There has been a significant increase in the number of pensioners who prefer a pension scheme from 2004. On the contrary, there has been a decrease in the number of provident fund members who prefer a pension scheme.

11. Ranking of pension income (%)

(222 respondents in 2008, 87 and 82 respondents in 2004 and 2003 respectively)

	2008	2004	2003
Pension is the most important source of income	57.2	72.4	68.3
Pension is the 2 nd most important source of income	18.0	13.7	22.0
Pension is the 3 rd most important source of income	6.8	5.7	8.5
Pension is the 4 th most important source of income	0.5	8.0	1.2
Pension is the only source of income	32.9	26.4	N/A

The proportion of respondents for whom pension is the **most important source** of income is likely to have been **diluted by the significant increase of respondents to this question**. It may also be an **indication of the fact that more individuals are diversifying their investments prior to retirement and are therefore able to earn income from various sources**.

It is interesting to note that the proportion of individuals for whom **pension is the only source of income** has **increased from 26.4% to 32.9%**.

12. Amount of retirement income (from various income sources including pension)

Amount	Respondents
Up to KShs. 8,000 per month	159
KShs. 8,001 – KShs. 10,000	51
KShs. 10,001 – KShs. 50,000	143
KShs. 50,001 – KShs. 100,000	5
Over KShs. 100,000	10

Respondents earning up to KShs. 8,000 per month in pension income: 83

Respondents earning above KShs. 8,000 per month in pension income: 115

This indicates that the majority of respondents were above the trivial pension income threshold. The average post retirement income (from various income sources including pension) is **KShs. 17,690.22**

Most respondents earning more than KShs. 8,000 per month were earning these amounts from other income sources. It is therefore likely that these individuals began diversifying their investments prior to their retirement.

13. Sources of income (%)

	2008	2004
Farming	40.2	48.2
Business	28.9	32.7
Rent	13.8	29.1
Consultancy/new job	6.3	8.2
Other	6.3	7.3

Farming and business continue to be the key sources of income for retirees in Kenya.

Respondents were allowed to tick more than one option for this question and therefore the totals do not sum to 100%. The proportions of respondents earning income from other sources are likely to have been diluted by the increased diversification of responses.

14. Retirement savings (%)

		Years worked	Years saved for retirement
1.	Up to 5 years	0.0	2.1
2.	5 – 10 years	0.4	4.6
3.	11 – 15 years	1.3	7.6
4.	16 – 20 years	3.8	16.0
5.	21 – 25 years	11.3	14.7
6.	26 – 30 years	28.2	24.8
7.	31 – 35 years	37.0	21.0
8.	Over 35 years	17.2	6.3

It is interesting to note that for the first 5 cohorts, the proportions of respondents who had **worked** for the number of years shown was **lower** than the proportion of the respondents who had **saved** for the number of years shown. This trend reverses for the last 3 cohorts.

This indicates that across all the cohorts, members of retirement benefits schemes had saved for fewer years than they had been working. This is likely to have been influenced by the absence of regulation compelling employers to provide retirement savings access to their employees. Although this legislation is still absent, it is likely that the establishment of the Retirement Benefits Authority has influenced the establishment of more retirement benefits plans.

15. Proportion of salary contributed per month (%)

	Employee	Employer
Up to 5%	26.3	14.2
5.1% - 7.5%	7.5	5.0
7.6% - 10.0%	14.2	13.3
10.1% - 12.5%	12.5	10.0
Over 12.5%	14.6	23.3
No response	24.2	33.3

89.2% of the respondents indicated that their employers contributed towards their retirement benefits.

For the majority of respondents, the employer contributed a higher proportion of their salaries on their behalf. Although 89% of the respondents indicated that their employers were making contributions on their behalf, it is interesting to note that 33% of the respondents did not give a response on the proportion of contributions made by the employer.

This is an indication that member education in retirement benefits schemes is still insufficient in some retirement benefits schemes.

16. Change of jobs during working life (Proportion of respondents - %)

	2008	2004	2003
Stayed with one employer	60.9	59.1	54.2
Changed jobs	38.2	40.9	45.8

As in past surveys, the majority of respondents stayed with one employer throughout their working lives. This trend is likely to change with time and will provide an opportunity for the Authority to evaluate the impact of the preservation rule.

**17. Treatment of benefits upon exit from previous employer's scheme (%)
(Data for 91 respondents who changed jobs)**

	2008	2004
Withdrew lump sum	38.5	26.7
Transferred benefits to new employer's scheme	20.9	24.4
Deferred benefits in previous employer's scheme	11.0	7.1
Other	23.1	33.3

The questionnaire did not provide for separate treatment of employees' and employers' contributions as the majority of the sample members were not expected to be significantly affected by the introduction of the preservation rule.

However, it is important to note that the majority of respondents withdrew their lump sums upon exit from the previous employer's scheme. It is expected that as employment trends continue to change and as the preservation rule continues to be

implemented, there will be an increase in the number of members who transfer or defer their retirement benefits.

18. Details of change (%)

	2008
Public Sector – Public Sector	67.0
Public Sector – Private Sector	6.6
Private Sector – Private Sector	9.9
Private Sector – Public Sector	17.6

19. Gross monthly income prior to retirement age (%)

	2008	2004	2003
Less than 500	0.4	0.0	0.0
501 – 1,000	0.0	0.9	0.9
1,001 – 5,000	0.4	6.4	6.5
5,001 – 10,000	3.8	13.5	19.6
10,001 – 20,000	28.3	21.8	24.3
20,001 – 50,000	41.7	32.7	22.4
50,001 – 100,000	17.9	13.6	13.1
100,001 – 200,000	4.6	6.4	6.5
200,001 – 400,000	0.4	1.8	2.8
More than 400,000	0.4	0.0	0.0
No response/I don't know	2.1	2.7	3.7

The majority of retirees continue to be in the KShs. 10,000 – KShs. 50,000 income bracket. It is therefore likely that any special savings initiatives targeted at the low-to middle-income brackets are likely to affect the majority of individuals and if taken up, will significantly increase coverage and income replacement levels in Kenya.

Average gross monthly income: **KShs. 42,832.98**

20. Satisfaction with contributions made towards retirement (%)

	2008	2004	2003
Satisfied with own contributions towards retirement	47.9	34.5	37.4
Not satisfied with own contributions towards retirement	47.9	65.5	62.6
No response	4.2	0.0	0.0

A greater proportion of respondents is satisfied with their own contributions towards retirement than was the case in previous surveys.

Response Analysis

Contribution was ideal (%)	Yes		No		Blank	
	2008	2004	2008	2004	2008	2004
Males	47.2	40.5	50.9	59.5	1.8	0.0
Females	50.0	15.4	42.1	84.6	7.9	0.0

Those who would have increased their contributions would have preferred the following increases in contributions:

Contribution rate	Preferred increase in contributions	Proportion of respondents in contribution category (%)
Up to 5%	Up to 5%	11.1
	5.1% - 7.5%	11.1
	7.6% - 10.0%	27.8
	10.1% - 12.5%	0.0
	Over 12.5%	27.8
	No response	22.2
5.1% - 7.5%	Up to 5%	0.0
	5.1% - 7.5%	0.0
	7.6% - 10.0%	33.3
	10.1% - 12.5%	0.0
	Over 12.5%	33.3
	No response	33.3
7.6% - 10.0%	Up to 5%	6.3
	5.1% - 7.5%	0.0
	7.6% - 10.0%	25.0
	10.1% - 12.5%	0.0
	Over 12.5%	50.0
	No response	18.8

Contribution rate	Preferred increase in contributions	Proportion of respondents in contribution category (%)
10.1% - 12.5%	Up to 5%	0.0
	5.1% - 7.5%	0.0
	7.6% - 10.0%	0.0
	10.1% - 12.5%	20.0
	Over 12.5%	60.0
	No response	10.0
Over 12.5%	Up to 5%	0.0
	5.1% - 7.5%	3.7
	7.6% - 10.0%	14.8
	10.1% - 12.5%	0.0
	Over 12.5%	63.0
	No response	18.5

Majority of the respondents who had been saving less than 15% would have preferred to increase their contributions to 15%.

21. Value of saving for retirement

Saving for retirement was a worthwhile undertaking (%)	2008	2004	2003
Yes	92.08	87.3	95.3
No	6.67	12.7	4.7
No response	1.25	0.0	0.0

Saving for retirement was a worthwhile undertaking (%)	Yes	No
Males	47.20	50.90
Females	50.00	42.10

Saving for retirement was a worthwhile undertaking (%)	Yes	No
Had retired for less than 6 months	62.50	25.00
Had retired for more than 6 months but less than 1 year	68.80	31.30
Had retired for more than 1 year but less than 3 years	51.30	46.90
Had retired for more than 3 years but less than 8 years	35.30	60.30
Had retired for more than 8 years	12.50	87.50

Why saving for retirement was worthwhile	Responses
Regular income	80
Daily upkeep/Self-sustenance	52
Lump sum available at retirement	19

Why saving for retirement was not worthwhile	Responses
Insufficient income	9
Delays in payment of benefits	2
High taxation	2
Retirees were not advised on how to invest their benefits	1
Retirement income is not commensurate to retirement savings	1
Employer's contributions were not remitted	9

Respondents could give more than one reason for their satisfaction or dissatisfaction with having saved for their retirement. Proportions were therefore not used for analysis.

22. Reaction to the introduction of the preservation rule

Retirees approve of preservation rule	Proportion (%)
Yes:	43.75
No:	49.58
No response:	6.67

Reasons	Responses
Members may misuse/squander their benefits	18
The preservation rule infringes on members' rights	38
Individuals who want to start a business may lack sufficient capital	25
Individuals who lose their employment may need money for their upkeep	2

The first response in the table above supports the preservation rule while the other three do not support the rule. It is important to note that these responses were given **regardless** of the respondents' approval/disapproval of the preservation rule.

23. Knowledge of amount of benefits due at retirement

Proportion of respondents (%)	2008	2004	2003
Yes:	30.00	60.00	39.20
No:	68.33	40.00	60.80

Aware of amount due at retirement (%)	Yes		No	
	2008	2004	2008	2004
Males	38.70	60.70	61.30	39.30
Females	11.80	57.70	84.20	42.30

Aware of amount due at retirement (%)	Yes	No
Had retired for less than 6 months	25.00	68.80
Had retired for more than 6 months but less than 1 year	31.30	68.80
Had retired for more than 1 year but less than 3 years	31.90	67.30
Had retired for more than 3 years but less than 8 years	29.40	70.60
Had retired for more than 8 years	25.00	75.00

The proportion of respondents who knew the amount of benefits due has not only significantly dropped from 2004 and 2003, but there is also a greater disparity between the proportions of male and female respondents who knew the amount of benefits due at retirement in 2008 and 2004.

Source of information on benefits – Proportion (%)

Period since retirement	EBN	EG	BS	PS/PO	C	O	NR
Less than 6 months	6.30			6.30		6.30	81.30
Between 6 months and 1 year	6.30	3.10		12.50		9.40	68.80
Between 1 year and 3 years	6.20	3.50	13.30	2.70	1.80	4.40	68.10
Between 3 and 8 years		4.40	13.20	4.40		7.40	70.60
Over 8 years		12.50	12.50				75.00

EBN - Employee Benefit Newsletter

EG - Employee's Guide

BS - Benefit Statement

PS/PO - Personnel Section/Pension Officer

C - Colleague

O - Other

NR - No response

24. Lump sum benefits

Received lump sum benefits (%)	2008	2004	2003
Yes	94.58	95.5	89.7
No	3.75	4.5	10.3

Amount of lump sum received at retirement (Proportion of respondents - %)

	Proportion of respondents (%)
Less than KShs. 480,000	22.08
KShs. 480,001 – KShs. 720,000	11.67
KShs. 720,001 – KShs. 960,000	11.67
KShs. 960,001 – KShs. 1,500,000	26.67
KShs. 1,500,001 – KShs. 2,000,000	7.92
KShs. 2,000,001 – KShs. 3,000,000	4.17
More than KShs. 3,000,000	4.58

Advice on how to spend retirement benefits

Retiree was advised	Proportion (%)
Yes	15.42
No	79.17
No response	5.42

Source of advice	Responses
Personnel section	22
Financial advisor	6
Retirement Benefits Authority	9
Conferences and seminars	3
Family member	3
Other	1

It is interesting to note that very few respondents had been trained on investment of their benefits prior to retirement. This is a challenge to scheme trustees, administrators and the Retirement Benefits Authority, which also conducts quarterly Pre-Retirement Training Seminars for members approaching retirement age.

With the continued registration of administrators and the requirement for schemes to hold Annual General Meetings, it is anticipated that more members will be trained prior to retirement.

Investment of benefits – Proportion of responses (%)

How lump sum was used	2008	2004	2003
Paid school fees for my dependants	49.58	22.8	21.9
Bought land /Bought a house/Built own residence property	36.67	24.2	25.1
Started a business	25.42	21.4	19.2
Invested in an already existing business	18.75	2.3	2.3
Paid off loans/Paid debts	16.67	4.7	5.0
Bought livestock/farming implements	13.33	0.0	0.0
Paid medical fees	12.50	1.4	3.2
Invested in the capital markets/other investment	8.33	2.8	5.9
Completed my mortgage	7.08	0.0	0.0
Bought a vehicle/Bought household/consumption goods	6.25	13.5	8.7
Saved in a bank	5.00	0.0	0.0
Other	5.00	0.0	3.2

NB:

Respondents had the option of ticking more than one response and therefore the sum of proportions should not be equal to 100%.

Performance of business if lump sum was used to start a business – Proportions (%)

	2008	2004
Running profitably		31.0
Running but not profitably		48.3
Making losses		-
Collapsed		20.7

NB:

Option 3 (making losses) was not available in the 2nd Pensioners' & Retirees' Survey questionnaire

25. Awareness that the Authority conducts pre-retirement training seminars

	Proportion (%)
Yes	24.58
No	73.33

26. Attendance of a pre-retirement training seminar hosted by RBA

	Proportion (%)
Yes	7.08
No	90.83

27. Access to RBA public education opportunities – Proportion (%)

	RBA Open Day	RBA Trade Fair Stand
Yes	3.75	3.75
No	94.17	94.17

Trade fair attended

Town	Responses
Kisumu	2
Mombasa	2
Nairobi	5

28. Remarks on trivial pension

KShs. 7,398 is an acceptable threshold for trivial pension consideration	Proportion (%)
Yes	9.17
No	88.33
No response	2.50

Recommended trivial pension threshold

	Proportion (%)
Less than KShs. 10,000	0.00
KShs. 10,001 – KShs. 15,000	47.64
KShs. 15,001 – KShs. 20,000	26.42
KShs. 20,001 – KShs. 25,000	6.60
KShs. 25,001 – KShs. 30,000	8.49
More than KShs. 30,001	6.60

The current trivial pension amount is KShs. 7,398. It is important to note that only 9% of the respondents think that this threshold is acceptable for trivial pension consideration.

It is also important to note that the majority of respondents who thought that the current trivial pension threshold is insufficient indicated that they would consider a threshold of between KShs. 10,000 and KShs. 15,000 sufficient.

29. Pensioners

Receiving a pension	Proportion (%)
Yes	90.42
No	7.92

Mode of payment

Method	Proportion of pensioners (%)	
	2008	2004
Cheque	4.61	9.3
Cash	1.84	1.2
Electronic funds transfer	93.09	89.5
Other	0.46	0.0

30. Difficulties encountered in procuring retirement benefits

Problem	Proportion of respondents (%)
Delays	17.08
Miscalculation of benefits	2.92
Waiting for letters of administration	6.25
None	73.75
Other	1.67

With effect from 1st January 2008, the law was amended to clarify the separation of a deceased individual's retirement benefits from the rest of the individual's estate. Although only a small proportion had to wait for letters of administration before getting the retirement benefits in question, it is anticipated that this difficulty will not be encountered by any future respondents who retire(d) after 1st January 2008.

It is encouraging to note that the majority of respondents (74%) did not encounter any difficulties in procuring their retirement benefits.

Participation in retirement benefits scheme

Role played	Proportion of respondents (%)
Attend AGM	17.08
Official	2.50
Other	0.42
None	80.00

Out of two respondents who indicated that they had been scheme officials, one respondent indicated that s/he had been the scheme's Treasurer. The other respondent did not indicate the position that s/he held in the scheme.

Member representation on scheme Board of Trustees

Scheme had member-nominated trustees	Proportion (%)
Yes	38.75
No	15.42
Not aware	44.58
No response	1.67

Period since retirement	Yes	No	Not aware	No response
Less than 6 months	31.30	18.80	43.80	6.30
Between 6 months and 1 year	34.40	12.50	53.10	
Between 1 year and 3 years	39.80	15.00	45.10	
Between 3 and 8 years	41.20	17.70	41.20	
Over 8 years	50.00		50.00	

31. Provision of scheme information

Information provided	Proportion (%)
Summary of scheme accounts reports	13.75
Detailed scheme accounts reports	11.67
Benefit statements	28.33
Actuarial valuation reports	5.00
Investment portfolio reports	5.42
Membership certificate	14.58
Newsletters	13.75
Other	10.00

47.08% of the respondents indicated that **their scheme does not provide them with any information on their scheme.**

Period since retirement	SAS	DAS	BS	AVR	IPR	MC	N	None
Less than 6 months	25.00	6.30						43.80
Between 6 months and 1 year	9.40	6.30	34.4			6.30		28.10
Between 1 year and 3 years	14.20	6.20	22.1			3.50	3.50	46.00
Between 3 and 8 years	10.30	1.50	10.30	1.50		8.80	1.50	58.80
Over 8 years	37.50	12.50						50.00

SAS - Scheme Accounts Summary IPR - Investment Portfolio Reports
DAS - Detailed Accounts Statements MC - Membership Certificates
BS - Benefits Statements N - Newsletters
AVR - Actuarial Valuation Reports

32. Challenges faced by the Scheme

Challenge	Proportion (%)
Dissemination of information	41.67
Employer does not remit funds to the scheme as required	12.08
Provision of Benefits Statements	4.58
Representation (appointment of trustees)	1.67
Convening of Annual General Meetings	0.83
None	47.92

The majority of challenges faced by the scheme infringe on members' rights and it is proposed that education and training of all stakeholders be enhanced to reduce the occurrence of such malpractice.

5.3. Section III: Future Prospects for the Industry

33. What respondents liked about their retirement benefits scheme

Item	Proportion (%)
Prompt payment of benefits	45.83
Regular communication	2.50
Dissemination of information	0.83
Provision of benefits statements	0.42
Nothing	15.42

34. What respondents disliked about their retirement benefits scheme

Item	Proportion (%)
Lack of sufficient information from the Board of Trustees	20.42
Inadequate retirement income	13.75
There are delays/irregularities in the payment of benefits	12.08
There is no review of pensions to cater for inflation	9.17
Employer does not remit funds to the scheme as required	4.17
Members are not involved in the running of the scheme	2.92
Insufficient interest on investments	2.08
Centralised scheme offices	2.08
Requirement to fill forms every 6 months	2.08
Taxation/bank charges	1.67
Lack of medical cover for pensioners	0.83
Lack of advice on investment	0.83
There is no provision of loans/advances for pensioners	0.42
Other	3.33
None	18.75

35. Changes proposed for the retirement benefits industry

Change	Proportion (%)		
	2008	2004	2003
Revise the trivial pension amount	41.25		
Conduct more education/training programmes	21.92	12.6	16.3
Provide insurance/loans/SACCO facilities to retirees	16.25	17.6	10.6
Decentralise scheme offices	5.42	1.4	3.7
Abolish taxes on retirement benefits	5.00		

36. Knowledge of RBA

Respondent had heard of RBA before survey exercise	Proportion (%)		
	2008	2004	2003
Yes	61.25	48.20	48.60
No	36.25	51.40	51.40
I don't know/No response	2.50	0.00	0.00

For the first time since the Authority began to conduct Pensioners' and Retirees' Surveys, more than 50% of the respondents had heard of RBA before the survey exercise.

Analysis of awareness by period since retirement

Period since retirement	Yes	No	I don't know/ No response
Less than 6 months	68.80	25.00	6.30
Between 6 months and 1 year	46.90	53.10	0.00
Between 1 year and 3 years	65.50	32.70	1.80
Between 3 and 8 years	60.30	38.20	1.50
Over 8 years	75.00	25.00	0.00

37. Source of information on RBA

Source	Proportion (%)		
	2008	2004	2003
Newspaper	34.17	30.0	35.5
Television	27.50	9.1	27.1
Radio broadcast	16.67	9.1	22.4
Other	11.25	5.5	3.7
Trustees	7.92	3.6	2.8
RBA seminar	6.67	0.9	0.9
Colleague	6.67	6.4	2.8
A friend	5.83	3.6	5.6

While the proportion of individuals learning about RBA from any source has increased, it is important to note that **Newspapers, Television and Radio**

Broadcasts continue to be the most popular sources of information. The Authority and industry service providers should capitalise on these media to disseminate important information to scheme members and their beneficiaries.

6. REGRESSION ANALYSIS

SUMMARY OUTPUT

Dependent Variable: Pension; **Independent Variable:** Salary

<i>Regression Statistics</i>	
Multiple R	0.5773209
R Square	0.33329942
Adjusted R Square	0.32953275
Standard Error	5385.62435
Observations	179

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	2.567E+09	2.567E+09	88.486496	2.68581E-17
Residual	177	5.134E+09	29004950		
Total	178	7.7E+09			

	<i>Coefficients</i>	<i>Std. Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	6020.95569	615.3839	9.7840644	2.42E-18	4806.521929	7235.389445
Salary	0.10937492	0.0116273	9.4067261	2.686E-17	0.086428924	0.132320921

The regression indicates an income replacement level of approximately 11% for the respondents. While this may not be reflective of the entire population of Kenya's retirees, it is important to note that some individuals have such a low income replacement rate even after years of saving.

SUMMARY OUTPUT

Dependent Variable: Lump sum; **Independent Variable:** Salary

<i>Regression Statistics</i>	
Multiple R	0.39559585
R Square	0.15649607
Adjusted R Square	0.15173051
Standard Error	607614.274
Observations	179

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	1.212E+13	1.212E+13	32.838976	4.23228E-08
Residual	177	6.535E+13	3.692E+11		
Total	178	7.747E+13			

	<i>Coefficients</i>	<i>Std. Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	665186.704	69428.541	9.5808827	8.875E-18	528172.4531	802200.9549
Salary	7.51737076	1.3118107	5.7305301	4.232E-08	4.928568535	10.10617299

SUMMARY OUTPUT

Dependent Variable: Pension; **Independent Variable:** Salary; **Dummy Variable:** Job Change

<i>Regression Statistics</i>	
Multiple R	0.577786
R Square	0.3338366
Adjusted R Square	0.3262666
Standard Error	5398.7263
Observations	179

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	2	2.571E+09	1.285E+09	44.09973	2.98611E-16
Residual	176	5.13E+09	29146246		
Total	178	7.7E+09			

	<i>Coefficients</i>	<i>Std. Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	6117.9653	668.46626	9.1522425	1.385E-16	4798.724195	7437.20646
Salary	0.1098348	0.0117193	9.3720956	3.47E-17	0.086706276	0.132963328
Job change	-317.8478	843.67946	-0.37674	0.7068206	-1982.878196	1347.18257

SUMMARY OUTPUT

Dependent Variable: Lump Sum; **Independent Variable:** Salary; **Dummy Variable:** Job Change

<i>Regression Statistics</i>	
Multiple R	0.3964061
R Square	0.1571378
Adjusted R Square	0.1475598
Standard Error	609106.19
Observations	179

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	2	1.217E+13	6.087E+12	16.406148	2.92807E-07
Residual	176	6.53E+13	3.71E+11		
Total	178	7.747E+13			

	<i>Coefficients</i>	<i>Std. Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	675821.12	75419.074	8.9608781	4.582E-16	526978.9904	824663.2553
Salary	7.5677838	1.3222238	5.7235272	4.414E-08	4.958329768	10.17723786
Job change	-34843.21	95187.336	-0.366049	0.7147683	-222698.6825	153012.2724

Once again a change in jobs exhibited a negative impact on the respondents' benefits.

SUMMARY OUTPUT

Dependent Variable: Pension; **Independent Variable:** Salary; **Dummy Variable:** D/T benefits

<i>Regression Statistics</i>	
Multiple R	0.58071566
R Square	0.33723068
Adjusted R Square	0.32969921
Standard Error	5384.95578
Observations	179

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	2	2596818675	1.298E+09	44.776212	1.90498E-16
Residual	176	5103603778	28997749		
Total	178	7700422453			

	<i>Coefficients</i>	<i>Std. Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	6113.10966	621.8827226	9.830004	1.88E-18	4885.802743	7340.41657
Salary	0.11052383	0.011680119	9.4625598	1.957E-17	0.08747271	0.133574943
D/T	-1373.79542	1344.563743	-1.021741	0.308306	-4027.33815	1279.747308

* D/T - Deferred/Transferred benefits

SUMMARY OUTPUT

Dependent Variable: Lump Sum; **Independent Variable:** Salary; **Dummy Variable:** D/T benefits

<i>Regression Statistics</i>	
Multiple R	0.39638199
R Square	0.15711868
Adjusted R Square	0.14754049
Standard Error	609113.081
Observations	179

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	2	1.2172E+13	6.086E+12	16.403785	2.9339E-07
Residual	176	6.5299E+13	3.71E+11		
Total	178	7.7472E+13			

	<i>Coefficients</i>	<i>Std. Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	661508.205	70343.5491	9.403964	2.837E-17	522682.7945	800333.615
Salary	7.4715101	1.32118325	5.6551656	6.189E-08	4.864109585	10.07891062
D/T	54837.6318	152088.782	0.3605633	0.7188583	-245314.8027	354990.0663

* D/T - Deferred/Transferred Benefits

7. CONCLUSIONS

7.1. Challenges Facing Retirees and Pensioners With Regard to their Retirement Benefits

The majority of respondents indicated that they had not encountered any difficulties in procuring their retirement benefits.

Difficulties faced by retirees and pensioners in procuring their retirement benefits include:

- i. Delays in payment of benefits;
- ii. Miscalculation of benefits; and,
- iii. Waiting for letters of administration.

With the introduction of registration and licensing requirements for scheme administrators, it is expected that these difficulties will no longer be encountered by retirees.

Challenges faced by the scheme include:

- i. Dissemination of information
- ii. Employer remitting scheme funds on time
- iii. Provision of benefits statements
- iv. Satisfactory representation on the board of trustees
- v. Convening of Annual General Meetings

The majority of these issues contravene the Retirement Benefits Act and Regulations and should be enforced by stricter supervision of schemes by the regulator. The imposition of penalties for continued breach of legislation should be considered to enhance compliance in the retirement benefits industry.

7.2. Importance of Pension Income for Pensioners

The proportion of respondents who indicated that pension is one of the two most important sources of their income has declined over the years. However, 75% of this survey's respondents indicated that pension is one of the two most important sources of their income.

It is therefore important to continue pursuing incentives that will encourage scheme members to save for their retirement and to ensure that every Kenyan worker has a chance to maintain a reasonable standard of living after their retirement.

7.3. Applications of Lump Sum Benefits by Respondents

The majority of respondents used their lump sums to pay school fees, buy property, invest in business or pay medical fees. With the introduction of the Retirement Benefits **(Mortgage)** Regulations and the subsequent take-up of this new opportunity by scheme members, it is expected that fewer respondents will use large chunks of their retirement benefits to pay mortgages or buy houses.

There is now need to consider ways in which the Authority can make it possible for retirees to get loans to invest in businesses and pay school fees. The extension of the Authority's educational campaigns to inform working individuals on the need to take up insurance policies to cater for their health and for the education of their beneficiaries in retirement will also enable them to get higher levels of disposable income in future.

7.4. Appreciation of Key Legislative Changes Affecting Retirement Benefits

The respondents welcomed the revision of the law to allow for commutation of trivial pension amounts (KShs. 7,398 and below) to a lump sum. However, the majority of them recommended that the trivial pension lump sum threshold be revised upwards.

7.5. Impact of RBA's Pre-Retirement Training for Retirees and Pensioners

Only 7% of the respondents had attended a pre-retirement training seminar hosted by RBA. This proportion of the respondents was too small to assess the impact of the Authority's training on retirees and pensioners.

7.6. Income Replacement

The majority of respondents had saved for their retirement for fewer years than they had worked. Whereas vesting of the employer's portion of contributions can occur after the employee has been a scheme member for one year, the employee's contributions vest immediately.

It is likely that the lag between entry into employment and entry into retirement saving is due to the absence of compulsion for retirement savings access.

7.7. Other Retirement Income

The majority of retirees and pensioners earn income from farming, business and rent. This trend has continued from the second retirees' and pensioners' survey.

7.8. Scheme Preference

The majority of retirees prefer pension schemes to provident funds. However, the introduction of income draw downs as an option for individuals retiring from a pension scheme is likely to **decrease** the number of individuals who opt for a **pension** and **increase** the number of individuals who take out a lump sum at least once a year.

7.9. Regression Analysis

The low coefficient (R^2) of explanatory power of the equations precludes drawing of conclusions from the equations. This may be attributed to limitations highlighted in section 4 above.

POLICY RECOMMENDATIONS

8.1. Increasing Income Replacement Rates

The greatest factors influencing retirement income and its adequacy are the number of years worked, amount of money saved per month and the investment income earned on retirement savings.

The majority of Kenyans who do not save for retirement fail to do so due to the absence of compulsion, and due to the poor returns on investments, particularly in individual retirement benefits schemes. The majority of individual pension plans in Kenya are offered by insurance companies whose rates of return barely, if at all, beat inflation when interest is declared. The biggest losers would be scheme members who save through these vehicles for their entire working lifetimes, as the value of their savings is likely to be eroded by inflation.

Although contribution rates to NSSF have been revised to KShs. 1,000, the majority of Kenyans may be willing to contribute more than this amount per month.

It is recommended that employers be mandated to provide retirement savings access to their employees. However, all retirement savings vehicles that can be considered for these savings must provide scheme members with investment options that can cater for their different risk profiles and savings horizons.

*It is proposed that upon the introduction of mandatory access by employers, the government provide special savings incentives for a given time period for all employees who contribute at least 10% of their monthly income into a retirement savings plan. With the anticipated introduction of a universal pension in Kenya, such incentives are likely to reduce the government's social security obligations in the long run as the majority of individuals are likely to have enough retirement income **not** to be in dire need of a monthly stipend upon retirement.*

Retirement savings plan providers who are considered under this option must be regulated and must submit lists of their members to the Retirement Benefits Authority on an annual basis, along with all other statutory returns.

*While the issue of preservation of benefits continues to drive sufficient income replacement, it is important to **consider the plight of individuals who lose their employment before reaching retirement age**. In most developed countries where the preservation rule is employed*

*in its entirety, a stipend is available for unemployed individuals. **In the absence of such a stipend for unemployed individuals in Kenya, consideration for individuals who have remained unemployed for a long period of time is necessary. Consideration for individuals who would like to invest in business using their retirement benefits is also necessary.** Making money available to these categories of individuals may not increase income replacement rates after retirement, but is likely to contribute to Kenya's GDP when these individuals still have the capacity to make their money work for them.*

8.2. Education

The majority of retirees continue to rely on business, rental income and farming for their retirement income.

Whereas the Authority has continued to conduct aggressive training to individuals approaching retirement age on various aspects of retirement, it is important to develop training programmes that will address investments and retirement income.

It is recommended that the Authority, in conjunction with industry stakeholders, develop a cohesive education campaign that will address popular investment vehicles and the factors that individuals must consider as they begin to invest. This will increase the amount of income that these individuals earn after their retirement.

Scheme Annual General Meetings are a crucial forum for member education and it is proposed that penalties be considered for retirement benefits schemes that fail to hold Annual General Meetings for their members.

It is also proposed that penalties be imposed on schemes that do not provide their members with annual retirement benefits statements.

8.3. Taxation on Pensions

In order to decrease the number of individuals opting for an income draw down, it is proposed that all individuals opting for a pension be exempted from taxation on their pensions.

Further, in order to decrease the number of individuals who withdraw their portion of contributions upon exit from one retirement benefits scheme to another, it is proposed that such members be granted greater tax concessions their portion of contributions upon attaining retirement age.

This will retain retirement savings in the system for a longer period and continue to propel capital markets development and creation of job opportunities in various sectors of the retirement benefits industry.

8.4. Loan, Insurance and Sacco Products For Retirees

These products are not available for most retirees while they continue to be crucial to the maintenance of a reasonable standard of living for retirees.

It is proposed that tax concessions be considered for any products that financial institutions develop to cater for these needs.

APPENDIX: SURVEY QUESTIONNAIRE
RETIREMENT BENEFITS AUTHORITY

THIRD PENSIONERS' AND RETIREES' SURVEY

The Authority seeks to use the information collected from this survey for the development of the industry. This questionnaire will be used as a tool for a face-to-face interview by an RBA representative and all responses will be treated in confidence. Kindly give clear and candid responses to all questions.

SECTION I: RETIREE PROFILE

- 1) Name of respondent: _____
- 2) Age of respondent: _____
- 3) Gender:
Male Female
- 4) Marital status:
Single Married Separated Divorced Widowed
- 5) Province of residence before retirement _____
- 6) Province of residence after retirement _____

7) Do you have anyone who depends on you for support in the following age groups?

Age Group	Number of Dependants	Relationship	Comments
Up to 6 years			
7 - 14 years			
15 - 18 years			
19 - 24 years			
Over 24 years			

8) How long has it been since you retired?

Period	
Less than 6 months	
6 months - less than 1 year	
1 year - less than 3 years	
3 years - less than 8 years	
More than 8 years	

SECTION II: RETIREMENT PROFILE

9) What type of scheme did you retire from?

Pension Fund

Provident Fund

I don't know

10) Which of the two schemes do you prefer?

Pension Fund

Provident Fund

I don't know

- 11) Besides your pension income, please name three other important sources of income, stating amount and ranking all four in order of importance (1=most important).
(Write Nil or PF for pension income if you were a member of a provident fund)

Income Source	Amount Per Month	Rank
Pension Income		

- 12) For how many years were you a salaried employee? _____ years

(Please round off to the nearest whole number)

- 13) For how long did you save for retirement? _____ years

(Please round off to the nearest whole number)

- 14) What was your average monthly pension contribution amount?

(Give amount in figures or as a percentage of salary)

Amount in figures _____ Percentage of Salary _____

- 15) Did your employer also contribute towards your retirement benefits?

Yes

No

- 16) What was your employer's average monthly pension contribution amount?

(Give amount in figures or as a percentage of salary)

Amount in figures _____ Percentage of Salary _____

17) Did you ever change jobs during your working life?

Yes

No

18) If yes, please give details:

- 1) _____
- 2) _____
- 3) _____

19) What did you do with your retirement benefits at the points of transition?

(Please tick all applicable answers)

Option	Response
Withdrew benefits	
Transferred benefits to another scheme	
Deferred benefits in the scheme I was leaving	
Other (Specify)	

20) What was your gross monthly income prior to retirement?

Amount (KShs)	Response	Amount (KShs)	Response
Less than 500		20,001 – 50,000	
501 – 1,000		50,001 – 100,000	
1,001 – 5,000		100,001 – 200,000	
5,001 – 10,000		200,001 – 400,000	
10,001 – 20,000		More than 400,000	

21)

i. Are you comfortable with the contributions you made towards your retirement?

Yes. I am very happy with my contributions as I am living comfortably in my retirement

No. I wish I had contributed more as I cannot afford some of the things I'd like.

ii. If your answer to **question 21 (i)** is **no**, how much more would you have contributed as a percentage of your salary? _____

22)

i. Was it a worthwhile undertaking to save for retirement?

Yes No

ii. Why?

- 1) _____
- 2) _____
- 3) _____

23)

i. In 2005, the Minister for Finance introduced the preservation rule, which now prevents members of retirement benefits schemes from accessing their employer's portion of contributions before retirement age. Do you approve of this rule?

Yes

ii. Why?

- 1) _____
- 2) _____
- 3) _____

24)

- i. Before your retirement, did you know what amount of retirement benefits to expect?

Yes

- ii. If your answer to *question 24 (i)* is *yes*, how did you know?

(Tick all applicable)

Source of Information	Response
Employee Benefit Newsletter	
Employee's Guide	
Benefit Statement	
Personnel section/Pension officer	
A colleague	
Other (specify)	

25)

- i. Did you receive a lump sum benefit at retirement?

Yes

If your answer to *question 25 (i)* is *yes*, proceed to *questions 25 (ii) to 25 (vi)*. If your answer is *no*, proceed to *question 26*.

- ii. How much was the lump sum that you received? KShs _____

- iii. Were you advised on how to spend your retirement benefits?

Yes

- iv. Who offered you the advice?

(Please tick all applicable answers)

Source of Advice	Response
Personnel Section	
Financial Advisor	
Retirement Benefits Authority	
Other (specify)	

v. How did you spend your lump sum retirement benefits?

(Please tick all applicable answers)

	Use of Lump Sum	Response
(a)	Paid off loans	
(b)	Paid school fees for my dependants	
(c)	Paid medical fees	
(d)	Completed my mortgage	
(e)	Invested in an already existing business	
(f)	Started a business	
(g)	Bought a house	
(h)	Other (specify)	

vi. If your answer to **question 25 (v)** is **(e) or (f)**, how is/are the business/es performing today?

- Very well. The business/es is/are running profitably.
- Not very well. The business/es is/are running but not profitably.
- Poorly. The business/es is/are making losses.
- Not at all. I closed the business/es due to the losses incurred.

26) Are you aware that the Retirement Benefits Authority trains scheme members who are approaching retirement age on a regular basis?

Yes No

27) Did you ever attend a pre-retirement training seminar hosted by the RBA?

Yes No

28) Have you visited:

i. RBA open day?

Yes No

ii. RBA stand at the Kisumu, Mombasa or Nairobi trade fairs?

Yes No

iii. Which trade fair did you visit? _____

29)

i. The current trivial pension amount is KShs. 7,398 and is based on the minimum wage in Kenya. Do you think that this amount is sufficient?

Yes No

ii. If your answer to **question 29 (i)** is **no**, what would you consider a sufficient amount? **(Give answer to the nearest thousand) KShs** _____

30)

i. Do you receive any monthly retirement benefits (pensions)?

Yes

No

ii. If your answer to *question 30 (i)* is *yes*, how do you receive these benefits?
(Please tick all applicable answers)

Means	Response
Cheque	
Cash	
Account credited directly	
Other (specify)	

31)

i. What difficulties did you encounter while procuring your retirement benefits?

1) _____

2) _____

3) _____

ii. What role(s) do/did you play in your retirement benefits scheme?

(Please tick all applicable answers)

Role	Response
Attend AGM	
Official (Specify)	
Other (Specify)	
None	

iii. Does your scheme have member-nominated trustees?

Yes No I don't know

32) Does your scheme provide you with any of the following?

(Please tick all applicable answers)

Role	Response
Summary of scheme accounts reports	
Detailed scheme accounts reports	
Benefit statements	
Actuarial valuation reports	
Investment portfolio reports	
Membership certificate	
Newsletters	
Other (specify)	

33) What challenges does your scheme face?

- 1) _____
- 2) _____
- 3) _____

SECTION III: FUTURE PROSPECTS FOR THE INDUSTRY

34) What do you like about your retirement benefits scheme?

- 1) _____
- 2) _____
- 3) _____

35) What do you dislike about your retirement benefits scheme?

1) _____
2) _____
3) _____

36) What changes would you propose for the retirement benefits industry?

1) _____
2) _____
3) _____

37) Had you ever heard of the Retirement Benefits Authority before this exercise?

Yes No I don't know

38) From which medium did you learn about RBA?

(Please tick all applicable answers)

Medium	Response
Newspapers	
Radio broadcast	
Television	
A friend	
RBA seminar	
Colleague	
Trustees	
Other (specify)	

(CLOSE THE INTERVIEW AND THANK THE RESPONDENT)