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# KEFRI STAFF RETIREMENT BENEFITS SCHEME



## MINUTES OF THE MEMBERS' ANNUAL GENERAL MEETING HELD ON MONDAY 12<sup>TH</sup> AUGUST 2013 AT KEFRI HEADQUARTERS AND ON 14<sup>TH</sup>, 15<sup>TH</sup> AND 16<sup>TH</sup> AUGUST 2013 AT OTHER REGIONAL CENTRES

### HEADQUARTERS

#### PRESENT

- |    |                      |   |                  |                  |
|----|----------------------|---|------------------|------------------|
| 1. | Dr. Mercy Gichora    | - | Chairperson      |                  |
| 2. | Mr. Paul Tuwei       | - | Vice Chairman    |                  |
| 3. | Prof. Daniel Mugendi | - | Trustee          |                  |
| 4. | Mrs. Loise Ruhiu     | - | Trustee          |                  |
| 5. | Mr. Joseph Koech     | - | Trustee          |                  |
| 6. | Mr. Jonathan Ochieng | - | Deputy Secretary |                  |
| 7. | Juliana Makau        | - | Trust Secretary  | - Taking Minutes |

#### ABSENT WITH APPOLOGY

- |    |                  |   |         |  |
|----|------------------|---|---------|--|
| 1. | Dr. Ben Chikamai | - | Trustee |  |
|----|------------------|---|---------|--|

#### IN ATTENDANCE

- |    |                 |   |                        |                      |
|----|-----------------|---|------------------------|----------------------|
| 1. | Patrick Omesa   | - | KEFRI                  |                      |
| 2. | Nerbert Amasa   | - | AON Kenya              | - Fund Administrator |
| 3. | Steven Wamathai | - | Genesis Kenya          | - Investment Manager |
| 4. | Dorothy Gacheri | - | Genesis Kenya          | - Investment Manager |
| 5. | Rita Visaria    | - | Standard Chartered     | - Custodian          |
| 6. | Evans Ogari     | - | VC Karani & Associates | - Aud itor           |
| 7. | Martin Obuba    | - | RBA Representative     |                      |
| 8. | Grace Wainaina  | - | Family Lawyer          |                      |

#### MEMBERS PRESENT

Headquarters, Muguga, Karura & Nyeri 255

### **MIN 1/AGM/2013: INTRODUCTION AND ADOPTION OF AGENDA**

The Chairperson called the meeting to order at 10.40am with a word of prayer from Mr. Moses Gitau, a member from Karura. The Agenda of the meeting was adopted as follows:

- 1.1 Registration of Members
- 1.2 Introduction and Welcome
- 1.3 Confirmation of Minutes of the last AGM held on 23<sup>rd</sup> August 2012
- 1.4 Statement from the Sponsor
- 1.5 Statement from the Chairperson, KEFRI Board of Trustees
- 1.6 Auditor's Report as at 30<sup>th</sup> June 2013
- 1.7 Administration Report
- 1.8 Investment Progress Report
- 1.9 Custody Report
- 2.0 Member education on the law of succession
- 2.1 Remarks from the Regulator
- 2.2 Question and Answer
- 2.3 Vote of thanks

### **MIN 2/AGM//2013: INTRODUCTION AND WELCOME**

The Deputy Director Finance and Administration, Mr. Patrick Omesa, welcomed all members and service providers present to KEFRI and to the AGM. He wished members a fruitful meeting.

### **MIN 3/AGM//2013: CONFIRMATION OF MINUTES**

The Trust Secretary presented the minutes to the members present of the last Annual General Meeting held on 23<sup>rd</sup> August 2012. The minutes were confirmed as a true record of the proceedings and were proposed by James Nyingi and seconded by Stacus Orondo.

### **MIN 4/AGM//2013: STATEMENT FROM THE SPONSOR**

The Chairman of KEFRI Board of Management, Prof. Daniel Mugendi acknowledged the Sponsors' compliance with the law by ensuring that contributions deducted from members and those made by the employer are remitted to the scheme in good time. The Sponsor has also been committed to financing the actuarial deficit of the DB

Scheme as required. He informed the members that the total deficit of Kshs. 72.9 million will be fully settled by 30<sup>th</sup> June 2014 as per the Remedial action plan. During the year 2012-2013, the total contributions remitted to the Scheme were as follows:

DC Scheme Contributions	Kshs. 60,739,581.00
DB Scheme Contributions	Kshs. 20,912,652.00
<b>Total Contributions</b>	<b>Kshs. 81,652,233.00</b>

Prof. Mugendi also acknowledged the fact that both Schemes had made a positive improvement in terms of the investment returns for the year and that we look forward to more positive growth in the next financial year.

The importance of such forums as a members' AGM is to discuss matters affecting our future. The Government has given members an opportunity to make contributions into the Scheme up to 10% of their basic salary and once they do this, the employer has to match the contributions by making 20% of the members' basic salary. Members were requested to increase their contribution from the current 6% to the 10% and once they do so the Board of Management will have the obligation to increase the Sponsor's contribution rate. Making of additional voluntary contributions was also available to members. Members were asked if they agreed to increase their contribution to 10% w.e.f 1<sup>st</sup> July 2014.

### **Resolution**

Having listened to the Sponsor's statement, the members resolved to increase their contribution to 10% from the current 6% of their basic salary w.e.f. 1<sup>st</sup> July 2014. The Chairman of KEFRI Board of Management assured them that the Sponsor will ensure that the new contribution rates are matched by 20% by the same date.

### **MIN 5/AGM/2013: STATEMENT FROM THE CHAIRPERSON**

Dr. Mercy Gichora began her statement welcoming all members and service providers present to the AGM. She informed members that the Board of Trustees met the service providers quarterly during the year for a status update of the scheme.

Following the conversion of the Scheme from DB to DC in the year 2011, the previous DB scheme assets were split between the DB and DC schemes by the end of March 2013 and thus the Schemes are currently operating independently as

required by law. The DC Scheme has the bulk of the members with 811 non-scientists and 74 scientists as at 31<sup>st</sup> March 2013. These members represent 96% of the whole population. The DB Scheme on the other hand had 37 members representing 4% of the population. Therefore this AGM is the first where all reports are given distinctively between the two Schemes.

Members were informed that the full audited financial statements are currently in the KEFRI website and so members can access them.

The Chairperson also recognized that the Scheme is skewed with average age of members being aged between 45-49 years and also this group holds the largest share of the Scheme assets. Members were urged to diversify their income base and become less dependent on salaried work.

During the year, the Board of Trustees sponsored more than 50 people from the headquarters and Muguga centre to attend a pre-retirement seminar organized by RBA. This forum was found very useful by those who attended. Members were asked to look out for such notices and information in future from the Pension Secretariat to ensure that they are enlisted to attend. Members were also urged to visit the Pension Secretariat whenever in need of any clarification or information on any matter relating to pensions.

In her closing remarks, the Chairperson thanked the Board of Trustees and the Scheme service providers for their cooperation during the year and hoped that they will together accomplish more in the next year.

#### **MIN 6/AGM/2013: AUDITOR'S REPORT AS AT 30<sup>TH</sup> JUNE 2013**

Mr. Ogari presented the Auditor's report as at 30<sup>th</sup> June 2013. In his presentation, the Auditor gave highlights on the Schemes' financial performance and their financial position at the close of the financial year.

The Scheme's financial performance for the year was summarized as follows:

	<b>DC Scheme</b>	<b>DB Scheme</b>
<b>Income from dealings with members</b>		
Contributions	60,739,581	20,912,652
<b>Outgoings from dealings with members</b>		

Benefits to seceding members	(20,646,479)	(440,756)
<b>Net additions from dealings with members</b>	<b>40,093,102</b>	<b>20,471,897</b>
<b>Return on Investments</b>		
Investment Income	54,509,521	126,769,969
Change in fair value of investments	78,798,874	9,462,889
Less:		
Investment Management expenses	(7,776,823)	(751,174)
Tax Payable	(46,892)	-
Net returns on investments	125,484,680	135,481,685
Operating administrative expenses	(9,230,108)	(566,768)
<b>Increase/Decrease in net assets for the year</b>	<b>156,347,675</b>	<b>155,386,813</b>
Transfer of funds to KEFRI DC Scheme	-	(942,762,304)
<b>Net assets available for benefits at start of year</b>	<b>942,742,304</b>	<b>961,543,094</b>
<b>Net assets available for benefits at end of year</b>	<b>1,099,089,979</b>	<b>174,187,603</b>

The Schemes' financial position at the end of the year was also summarized as follows:

	DC Scheme	DB Scheme
<b>Assets</b>		
Office equipment	87,750	31,230
Intangible assets	-	1
Investments		
-at fair value	969,809,158	112,003,766
-at amortized cost	138,993,352	45,501,360

Investments for benefits held in trust	-	70,291,705
Other receivables and accrued income	804,256	16,637,315
Cash held in hand and at bank	11,170,881	787,165
<b>Total assets</b>	<b>1,120,865,397</b>	<b>245,252,541</b>
Less: Liabilities		
Benefits Payable	1,822,849	
Benefits held in trust and unpaid benefits	-	70,397,249
Other payables and accrued expenses	19,952,569	667,689
<b>Net assets available for benefits</b>	<b>1,099,089,979</b>	<b>174,187,603</b>
Financed by:		
Members' account and reserve fund	1,099,089,979	174,187,603

#### **MIN 7/AGM/2013: MEMBERS EDUCATION ON THE LAW OF SUCCESSION**

Grace Wainaina, a family lawyer, began her presentation by informing members that the Retirement Benefits Regulations have provided guidelines on the treatment of death benefits.

*36A. Upon the death of a member of a scheme, the benefit payable from the scheme shall not form part of the estate of the member for the purpose of administration and shall be paid out by the trustees in accordance with the scheme rules.*

The Regulations further provide the trustees with discretionary powers to pay a dependent of the deceased if they find sufficient reasons for refusing to pay a nominated beneficiary. The law of inheritance in Kenya is under the Law of

Succession Act Chapter 160 of the Laws of Kenya. Property can pass from the deceased owner to the survivors through either of the following ways:

- Intestate (where there is no will)
- Testate (where there is a written will)

Members raised their concerns about the Marriage Bill and how it would affect their nomination of beneficiaries in the pension scheme. Mrs. Wainaina reiterated that should the Bill be enacted into law, then it would not be applied in retrospect. If a member is polygamous, let him nominate all his wives otherwise, they would not be recognized by law. A concern was raised by some members in the case where his relatives do not recognize one or more nominees as his wives yet he has them in record as his wives. Mrs. Wainaina emphasised that the if one has been nominated, then he/she remains to be a beneficiary. The problem comes in if he/she claims to be a beneficiary yet he/she is not in any of the deceased's records as a beneficiary. There the trustees will exercise their discretion or otherwise the court will rule on the same in case of a dispute.

#### **MIN 7/AGM/2013: ADMINISTRATION REPORT**

Mr. Amasa of AON Kenya presented the administration report. In his presentation, he gave an overview of the benefit structure of both the defined benefit (DB) and defined contribution (DC) schemes. He also gave examples of benefits calculations under both schemes. These were as follows:

##### **Defined Benefit Calculation**

Date of birth 31/12/1955

Date Joined Scheme 01/01/1995

Date of Normal Retirement 31/12/2015

Pensionable Salary at age 60 kshs. 204,000.00 p.a or 17,000.00 p.m

Total Pension i.e

$1/40 \times 204000 \times 21 = 107,100$  p.a or 8,925.00 p.m

Cash lumpsum

$1/3 \times 107,100 =$  kshs. 35,700

Equivalent cash:

$35,700 \times 8.036 =$  kshs 286,885.20

Balance of Pension:

$107,100 - 35,700 = \text{kshs. } 71,400.00 \text{ p.a or kshs. } 5,950 \text{ p.m}$

However, this would be trivial pension(Kshs. 6,105.00) and thus the member can commute the whole pension to be

$107,100 \times 8.036 = \text{kshs. } 860,655.60$

Less tax                    kshs.    26,065.50

Net payable            kshs.    834,590.10

### **Defined Contribution Benefit Calculation**

Date of birth 01/01/1969

Balance at 30/06/2013

Employee - kshs. 171,499.15

Employer - kshs. 555,634.75

Total            kshs. 727,133.90

Monthly contribution:

Employee ( 6%) - kshs 1024.00

Employer (12%) -kshs 2048.00

Total                    kshs. 3,072.00

Projected Lumpsum value at age 60 = kshs.5,319,381.00

Cash lump sum:

$1/3 \times 5,319,381.00 = \text{kshs. } 1,773,127.00$

Balance :

$5,319,381.00 - 1,773,127.00 = 3,546,254.00$

Annuity:

$3,546,254.00/10 = \text{kshs. } 346,625.40 \text{ p.a or kshs. } 29,552.10 \text{ p.m}$

Mr. Amasa also educated members on the various annuity products available in the market. These include:

- Deferred Annuity
- Guaranteed annuity-single life, joint & last survivor, reversionary
- Temporary annuity-annuity certain, widow/er pension, orphan pension

Mr. Amasa also demonstrated how retirement benefits are taxed upon exit from the scheme.

### **MIN 8/AGM/2013: INVESTMENT PROGRESS REPORT**



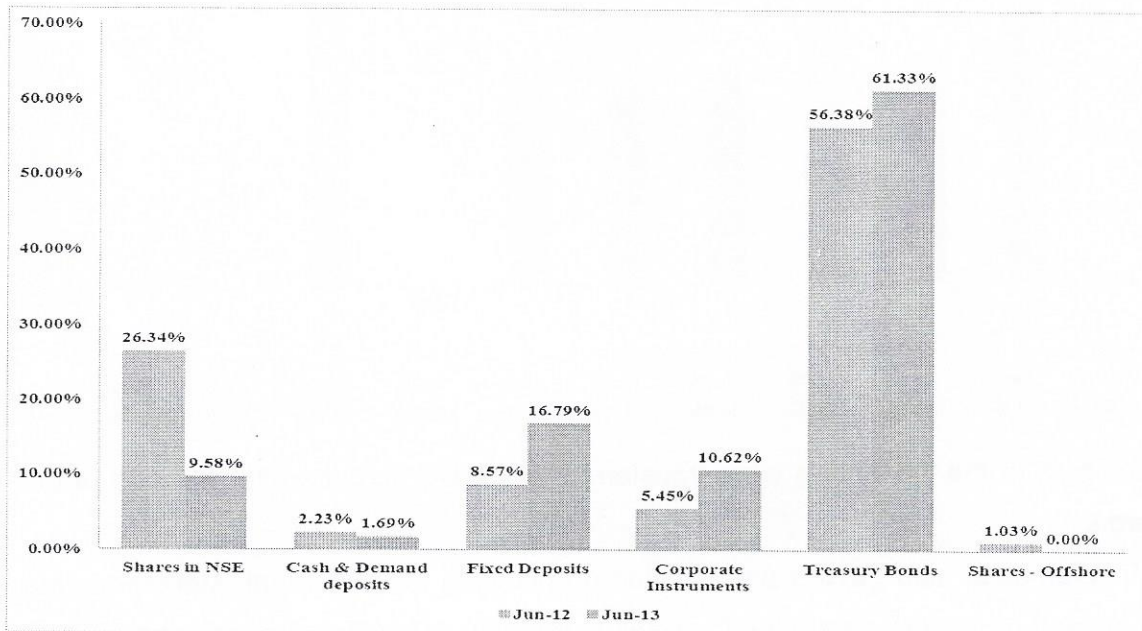
Steven Wamathai gave a presentation of the Scheme's investment report as at 30<sup>th</sup> June 2013. In his report, Wamathai highlighted on the role of Genesis Kenya to the scheme and also the roles of both members and Trustees in Fund management.

The Investment Manager also gave an economic review for the year 2013. The country's GDP had grown by 5% Inflation had slowed to 4.9% in June 2013 after peaking at 19.7% in November 2011. Average annual inflation to June 2013 at 4.59% from 9.63% in December 2012. Interest rates decreased from historic highs of over 20% (t/bill) on policy rate cuts following stable currency and inflation. Bond yields dropped in tandem with rate cuts, thus reversing unrealised bond losses of 2011. Stock market posted strong returns in year to June 2013. NSE 20 Share Index was up 24% while the NASI was up 44%. There was strong performance backed by lower rates, strong corporate earnings and improved investor appetite during 2013. .

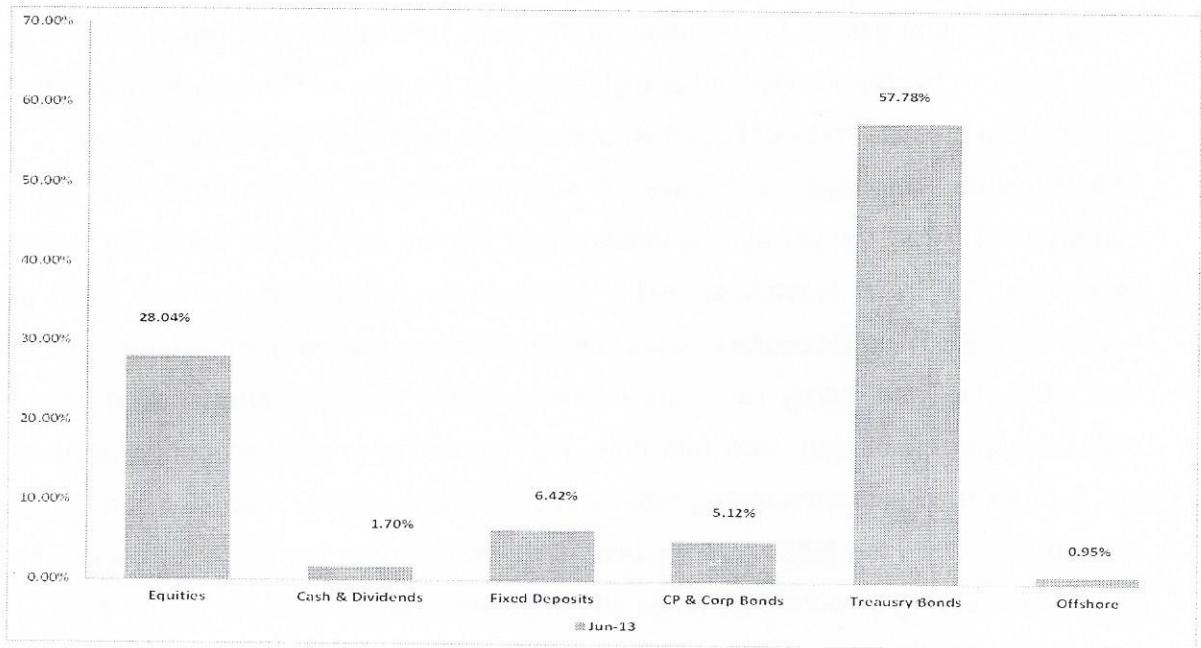
The global markets also made good recovery in 2012/13. The European markets led as top gainers for the year having being boosted by strong policy actions. MSCI World Index was up 16%. The Kenyan shilling weakened against dollar and Euro currencies during the same period.

During the year, the scheme funds were invested in the following asset classes;

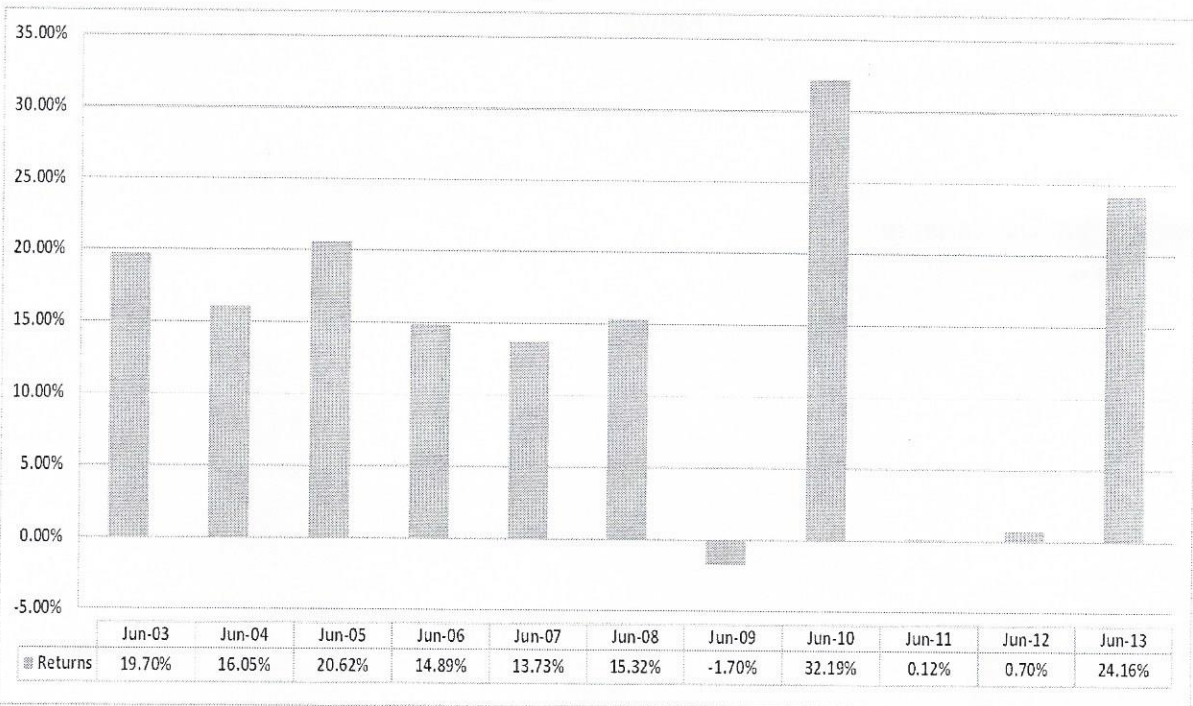
For the DB Scheme:



And the DC Scheme:



The historical performance to date was given as follows:



The bulk of the DB assets were transferred to the DC scheme after the split of the two schemes.

Mr. Wamathai also gave a presentation on planning for retirement. Members were educated on how to determine their net worth, how to save and invest, and on debt management.

### MIN 9/AGM/2013: CUSTODY REPORT

Rita Visaria of Standard Chartered Bank presented the Custodian report as at 30<sup>th</sup> June 2013. In her report, informed the members on the role of a custodian within the pension fund operations as well as the services rendered by Standards Chartered Securities Services with them being the leading custodian in Kenya.. The summary of scheme assets in custody was given as below:

#### DB Scheme

Asset class	Value in KES	% of Total
Cash Deposits	26,662,034.25	16.869
Call Deposits	2,650,194.77	1.677
Corporate Bonds	16,862,621.69	10.669
Equities	15,063,847.05	9.531
Government Securities	96,816,199.05	61.255
<b>Total</b>	<b>158,054,896.81</b>	<b>100.00</b>

#### DC Scheme

Asset class	Value in KES	% of Total
Cash Deposits	71,785,267.12	6.455
Call Deposits	18,128,580.89	1.630
Corporate Bonds	56,953,256.34	5.122
Equities	308,602,603.10	27.751
Offshore	10,610,891.01	0.954
Government Securities	645,948,517.75	58.087
<b>Total</b>	<b>1,112,029,116.21</b>	<b>100.00</b>

The custodian finally assured the members and the trustees that the assets are safe.

### MIN 10/AGM/2013: REMARKS FROM THE REGULATOR

Martin Obuba, a representative of the Retirement Benefits Authority (RBA), began his remarks by thanking the trustees for convening AGMs on a timely manner.

Mr. Obuba informed members that there were no budget changes during the year that affected pension schemes. He encouraged members to increase their

contribution rates to the maximum as provided by the Treasury circular 18/2010 as this would increase their benefits upon retirement. Additional voluntary contributions was also encouraged.

It is important for members to know their rights and this sensitization should be done by the trustees as well as the Authority. RBA is working on increasing the tax exemption from the current Kshs. 20,000 per month.

In his closing remarks, Mr. Obuba assured members and the trustees that our Schemes have been classified as not risky by the Retirement Benefits Authority.

#### **MIN 11/AGM/2012: QUESTION AND ANSWER**

Members were given a chance to ask questions and which were answered as follows:

- i. Upon the death of a retiree, are his beneficiaries entitled to last expense benefit?-No. the benefit is available under the group life cover which is given to members who are in service. Retirees are not covered under the group life policy.
- ii. what is the formula for disbursing benefits to dependants of deceased members especially under the DC scheme where there is no widow's pension?-there is no formula in disbursing benefits. Trustees consider each case independently.
- iii. Can a retiree reverse an annuity for lump sum?-No. an annuity contract is binding and cannot be reversed.
- iv. During the conversion of the scheme, some members with the same years of service had different transfer values. Why was this the case?- the transfer values were based on the date of birth, date of joining the scheme, gender and basic salary. If all these factors are exactly the same, the two would have equal transfer values.

#### **MIN 12/AGM/ 2013: REMARKS BY THE CHAIRMAN-KEFRI BOARD OF MANAGEMENT**

Prof. Daniel Mugendi requested members to give consent increase their contribution from the current 6% to 10% as provided for by Treasury. The more one saves, the more the benefit upon retirement and therefore it would be prudent to start saving

more today. Should members give their consent, the employer would have no option but to match the same by contributing 20%, 8% more than the current rate.

Members unanimously agreed to increase their contribution with effect from 1<sup>st</sup> July 2014.

#### **MIN 13/AGM/ 2013: VOTE OF THANKS**

Mr. James Mbugua gave a vote of thanks. He extended the staff's appreciation to the Board of Management and the trustees for encouraging members to grow their retirement benefits.

The meeting ended at 03.45pm with a word of prayer from Mr. Jeremiah Musango.

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#### **MIN 14/AGM/2013: LAKE BASIN ECO-REGION RESEARCH CENTRE-MASENO PRESENT**

- |    |                      |   |                 |                  |
|----|----------------------|---|-----------------|------------------|
| 1. | Mr. Paul Tuwei       | - | Vice Chairman   |                  |
| 2. | Prof. Daniel Mugendi | - | Trustee         |                  |
| 3. | Mr. Joseph Koech     | - | Trustee         |                  |
| 4. | Juliana Makau        | - | Trust Secretary | - Taking Minutes |

#### **IN ATTENDANCE**

- |    |               |   |               |                      |
|----|---------------|---|---------------|----------------------|
| 1. | Robert Rotich | - | AON Kenya     | - Fund Administrator |
| 2. | Maurice Oduor | - | Genesis Kenya | - Investment Manager |

#### **MEMBERS PRESENT**

Maseno	29
Ramogi	3
Kuja River	3
Kakamega	2
Total	37

#### **PRELIMINARIES AND PRESENTATIONS**

The meeting was held on 14<sup>th</sup> August 2012 at Lake Basin Eco-regional research centre. The Regional Director Dr. Robert Nyambati called the meeting to order at

10.10am and welcomed the members, trustees and service providers to Maseno. He also gave the opening remarks. Mr. Paul Tuwei chaired the meeting.

Presentations were made by the Scheme service providers present as well as the Trust Secretary, who presented the auditor's report on behalf of the auditor, VC Karani and Associates.

### **QUESTION AND ANSWER**

Members were given a chance to ask questions and which were answered as follows:

- i. Explain the difference between amortized cost and fair value-amortized cost is the accumulated value of an asset while fair value is the market value of an asset.
- ii. when the administrator is sourcing for an annuity provider, do they check for other factors other than the company's financial statements since a profitable company may as well go broke?-the administrator also checks on the historical performance of the insurance companies and their rank within the industry.
- iii. does trivial pension apply to both the DB and DC schemes?-Yes.
- iv. what is the retirement benefit structure upon a member's retrenchment?-KEFRI plans to expand rather than retrench its staff, therefore retrenchment is a hypothetical case.
- v. how can members benefit from the mortgage facility?-the mortgage facility as provided for in the Trust Deed and rules only acts as a collateral for the member.
- vi. Please provide an analysis of a joint annuity and what happens when the principal dies.-annuities depend on the number of lives enjoined in the annuity benefit. Joint annuities are more expensive and when the principal dies, the enjoined person continues to receive pension.
- vii. Are annuities safe since in the past, insurance companies have collapsed with people's investments?-annuities are safe because the assets of pensions are kept separately from those of the company.

Members unanimously agreed to increase their contribution rate from 6% to 10% with effect from 1<sup>st</sup> July 2014.

The meeting ended at 02.35pm with a word of prayer from Dr. Nyambati.

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### **MIN 15/AGM/2013: TURBO SUB-CENTRE**

#### **PRESENT**

1. Mr. Paul Tuwei - Vice Chairman
2. Mr. Joseph Koech - Trustee
3. Juliana Makau - Trust Secretary - Taking Minutes

#### **IN ATTENDANCE**

1. Robert Rotich - AON Kenya - Fund Administrator
2. Maurice Oduor - Genesis Kenya - Investment Manager
3. Nicholas Musyoki - Standard Chartered Bank-Custodian

#### **MEMBERS PRESENT**

Turbo	28
Lodwar	2
Total	30

#### **INTRODUCTION AND PRELIMINARIES**

The meeting was held on 15<sup>th</sup> August 2013 at Turbo Sub-Centre. The Mr. Mark Shiakamiri called the meeting to order at 10.20am and welcomed the members, trustees and service providers to Turbo. He also gave the opening remarks. Mr. Paul Tuwei chaired the meeting.

Presentations were made by the Scheme service providers present as well as the Trust Secretary, who presented the auditor's report on behalf of the auditor, VC Karani and Associates.

#### **QUESTION AND ANSWER**

Members were given a chance to ask questions and which were answered as follows:

- i. in which companies is the scheme a shareholder?-both the DB and DC schemes are invested in over 20 companies. These include BAT, Safaricom, Bamburi Cement and EABL.
- ii. are members charged any fees for attending pre-retirement seminars?-No. all charges are catered for by RBA.
- iii. Is the scheme still holding Uchumi shares?if yes, can we sell them off?- Uchumi is currently trading at Kshs.13.50. the fund manager will look into selling off the shares if the Scheme is still holding them.
- iv. Can a member, once retired, have a separate arrangement with the scheme to receive monthly pension rather than purchasing an annuity?-Yes. The law has provided for income drawdown where a member can draw pension directly from the scheme. The minimum however for one to qualify for a drawdown is Kshs.5million and the drawdown is upto a period of 10 years after which thhe retiree must purchase an annuity.

Members unanimously agreed to increase their contribution rate from 6% to 10% with effect from 1st July 2014.

The meeting ended at 12.30pm with a word of prayer.

**MIN 16/AGM/2013: RIFTVALLEY ECO-REGION RESEARCH CENTRE-LONDIANI**

**PRESENT**

1. Mr. Paul Tuwei - Vice Chairman
2. Mr. Joseph Koech - Trustee -Taking Minutes

**IN ATTENDANCE**

1. Robert Rotich - AON Kenya - Fund Administrator
2. Maurice Oduor - Genesis Kenya - Investment Manager

**MEMBERS PRESENT**

Londiani 35



Marigat	3
Total	38

## **INTRODUCTION AND PRELIMINARIES**

The meeting was held on 16th August 2013 at Londiani. The Regional Director called the meeting to order at 10.30am and welcomed the members, trustees and service providers to Turbo. He also gave the opening remarks. Mr. Paul Tuwei chaired the meeting.

Presentations were made by the Scheme service providers present as well as Mr. Joseph Koech, who presented the auditor's report on behalf of the auditor, VC Karani and Associates.

After discussions, members unanimously agreed to increase their contribution rate from 6% to 10% with effect from 1st July 2014.

The meeting ended at 12.30pm with a word of prayer.

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### **MIN 17/AGM/2013: COAST ECO-REGION RESEARCH CENTRE-GEDE**

#### **PRESENT**

- |    |                      |   |                                   |
|----|----------------------|---|-----------------------------------|
| 1. | Dr. MercyGichora     | - | Chairman                          |
| 2. | Mrs. Loise Ruhiu     | - | Trustee                           |
| 3. | Mr. Jonathan Ochieng | - | Deputy Secretary – Taking Minutes |

#### **IN ATTENDANCE**

- |    |                |   |                     |   |                    |
|----|----------------|---|---------------------|---|--------------------|
| 1. | Nerbert Amasa  | - | AON Kenya           | - | Fund Administrator |
| 2. | Gabriel Odendo | - | Genesis Kenya       | - | Investment Manager |
| 3. | Martin Obuba   | - | RBA Representative  |   |                    |
| 4. | John Mungai    | - | Pension Secretariat |   |                    |

#### **MEMBERS PRESENT**

Gede	42
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## **PRELIMINARIES AND PRESENTATIONS**

The meeting was held on 14<sup>th</sup> August 2012 at Coast Eco-regional research centre. The Regional Director Mr. MTE Mbuvi called the meeting to order and welcomed the members, trustees and service providers to Gede. He also gave the opening remarks. Dr. Mercy Gichora chaired the meeting.

Presentations were made by the Scheme service providers present as well as Mrs. Loise Ruhiu, who presented the auditor's report on behalf of the auditor, VC Karani and Associates.

## **QUESTION AND ANSWER**

Members were given a chance to ask questions and which were answered as follows:

- i. Why did RBA advise the Minister about rolling from DC to DB?- This directive was from the government because DB was expensive on the part of the government and again DC is becoming more popular the world over
- ii. What is the Role of RBA in the conversion process?- The funding level is more open in DB in terms of deficit. The role of RBA is to make sure that risk borne by members (contributors) is minimized even it is not eradicated completely. The role RBA currently is on Risk Based Supervision and not just compliance as the case was before. The scheme with a score of below 1 is a well-managed scheme. KEFRI score is 0.6% meaning it is very well managed.
- iii. Which is scheme is better than the other, DB or DC?- None is better than the other. However, those who were within 5 years have more benefits. Even in DC you have not lost as long as the business is good. The risk is there but will be minimized through responsible investment.
- iv. Can a member access all his benefits on retirement?- It is better to get something small at the end of the month. If you are in DC and want lump sum you must resign before 60 years.
- v. Who is eligible to join the Pension Scheme?- members of staff who are employed on permanent and pensionable terms.
- vi. Is the Scheme intending to invest in property?- Yes, the trustees are exploring the property option.

- vii. How can one make additional voluntary contributions?- The member can advise HR to make the deductions.

Members unanimously agreed to increase their contribution rate from 6% to 10% with effect from 1<sup>st</sup> July 2014.

The meeting ended at 02.35pm with a word of prayer from Charles Mukare.

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### **MIN 18/AGM/2013: KIBWEZI SUB-CENTRE**

#### **PRESENT**

1. Dr. MercyGichora - Chairman
2. Mrs. Loise Ruhiu - Trustee
3. Mr. Jonathan Ochieng - Deputy Secretary – Taking Minutes

#### **IN ATTENDANCE**

1. Nerbert Amasa - AON Kenya - Fund Administrator
2. Gabriel Odendo - Genesis Kenya - Investment Manager
3. John Mungai - Pension Secretariat

#### **MEMBERS PRESENT**

Kibwezi 24

#### **INTRODUCTION AND PRELIMINARIES**

The meeting was held on 15<sup>th</sup> August 2013 at Kibwezi Sub-Centre. The Mr. Pius Matieka called the meeting to order and welcomed the members, trustees and service providers to Kibwezi. He also gave the opening remarks. Dr. Mercy Gichora chaired the meeting.

Presentations were made by the Scheme service providers present as well as Mrs. Loise Ruhiu, who presented the auditor's report on behalf of the auditor, VC Karani and Associates.

Members unanimously agreed to increase their contribution rate from 6% to 10% with effect from 1st July 2014.

The meeting ended at 12.15pm with a word of prayer.

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## **MIN 19/AGM/2013: DRYLANDS ECO-REGION RESEARCH CENTRE-KITUI**

### **PRESENT**

1. Dr. MercyGichora - Chairman
2. Mrs. Loise Ruhiu - Trustee
3. Mr. Jonathan Ochieng - Deputy Secretary – Taking Minutes

### **IN ATTENDANCE**

1. Nerbert Amasa - AON Kenya - Fund Administrator
2. Gabriel Odendo - Genesis Kenya - Investment Manager
3. John Mungai - Pension Secretariat

### **MEMBERS PRESENT**

Kitui 42

### **INTRODUCTION AND PRELIMINARIES**

The meeting was held on 16th August 2013 at Kitui. The Ag. Regional Director, Mr. Albert Luvanda called the meeting to order at 10.07am and welcomed the members, trustees and service providers to Kitui. He also gave the opening remarks. Dr. Mercy Gichora chaired the meeting.

Presentations were made by the Scheme service providers present as well as Mrs. Loise Ruhiu, who presented the auditor's report on behalf of the auditor, VC Karani and Associates.

**QUESTION AND ANSWER**

Members were given a chance to ask questions and which were answered as follows:

- i. Will the employer add to the voluntary contribution?-No, the employer is not obligated to make additional voluntary contribution
- ii. How can one make voluntary contributions?-Write a letter to HR instructing them about your intention to contribute above the official contribution.

After discussions, members unanimously agreed to increase their contribution rate from 6% to 10% with effect from 1st July 2014.

The meeting ended at with a word of prayer from Mr. Masara.

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**Signed for Circulation**

Chairperson

Date

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15-7-14

**Signed for Confirmation**

Chairperson

Date

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