

**POSTAL CORPORATION OF KENYA STAFF
RETIREMENT BENEFITS SCHEME
P.O. BOX 46621-00100 NAIROBI, GPO**



NAME OF SCHEME

Postal Corporation of Kenya Staff Retirement Benefits Scheme

DATE OF COMMENCEMENT

1st January, 2010

REGISTRATION

The Scheme is registered with the Retirement Benefits Authority and Kenya Revenue Authority (Income Tax Department).

REGISTERED OFFICE

The Registered Office of the Scheme is 9th Floor, NHIF Building, 1st Ngong Avenue, Nairobi.

MAIN PURPOSE OF THE SCHEME

To provide Pension and other retirement benefits for members upon their retirement and dependants' benefits to dependants of deceased members, payable in accordance with the provisions of the TRUST DEED AND RULES.

THE ROLE OF TRUSTEES

- To Manage, Supervise and Administer the Scheme for the benefit of the Members and Dependants;
- To pay or provide for payment of benefits prescribed by Rules to the persons entitled to them;

- To comply with the provisions of the Trust Deed and Rules;
- To comply with the provisions of the RBA Act, the Income Tax Act and any other legislation in force relating to the Administration and Management of the Scheme;

A Trustee term is limited to two (2) terms of 3 years consecutively.

MEMBERSHIP

All staff in service on or after 1st January, 2010 became members of the Scheme. All staff subsequently appointed to enter employment of the founder and having satisfactorily completed their probationary period become eligible members.

CONTRIBUTIONS

Member contributes 7.5% of basic salary less contributions to the National Social Security Fund; Sponsor contributes 12% less contributions to the National Social Security Fund. The Scheme is a Defined Contribution Plan.

LIMITATION OF MEMBER CONTRIBUTIONS

Under the Income Tax Act the aggregate contribution of a member shall not exceed 30% of pensionable salary subject to a maximum of Kshs. 240,000.00 per annum or Kshs. 20,000.00 per month.

ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

A member may pay additional voluntary contribution (AVC) and shall be credited to and become part of the member's portion. The member may only reduce or stop paying such contributions with the consent of the Scheme Trustees in case of exceptional financial hardship, retirement or in the event of earlier withdrawal from membership of the Scheme. Interest on AVC shall be determined by the Trustees on the basis of return on investments.

BENEFITS

All the benefits from contributions by a member vest in a member immediately and the retirement benefits accrued from membership shall fully vest in a member within one year of joining membership of the Scheme.

CIRCUMSTANCES UNDER WHICH RETIREMENT BENEFITS ARE PAYABLE

- On or after attaining the Normal Retirement age; currently age 60 years
- On early retirement after attaining age 50 with the consent of the Founder.
- On medical grounds with evidence from the Medical Board to the satisfaction of the Scheme Trustees and the Founder that the member is incapable by reason of any infirmity of mind or body of discharging the duties of his office and that the infirmity is likely to be permanent.

WITHDRAWAL BENEFITS

A member who leaves service before attaining 50 years of age may opt for payment of upto 100% of employee contribution and upto 50% of employer balance. The balance being (50%) of employer portion, shall be deferred and shall continue to accrue investment income until a member attains retirement age.

RETIREMENT BENEFITS

A member who leaves service after attaining the voluntary retirement age of fifty (50) years and above shall be entitled to:-

- Payment of upto 1/3rd of the total benefits i.e. employee and employer balance together with investment income.
- The remaining 2/3rd of the benefits shall be used to purchase an annuity from an Insurance Company of member's Choice. However, a member may if the amount is trivial request the Trustees to be allowed to access the full amount as a lumpsum.

ANNUITY

What is an Annuity?

An annuity is the promise to provide the policyholder (annuitant) an income for life, no matter how long you live, by converting a sum of money (retirement savings) into a series of periodic payments (such as monthly/quarterly, annually)

The amount paid out depends on the length of time desired and the Initial purchase price/amount saved for purchase of the annuity.

DEATH BENEFITS

If a member dies while in service a benefit equal to the total Scheme Credit at the date of his death will be payable to his/her beneficiary/beneficiaries.

- Notwithstanding the provisions of the sub-paragraph above, the Scheme Trustees may in their discretion refuse to pay a nominated beneficiary or beneficiaries **PROVIDED THAT** the reasons for such refusal shall be recorded in writing by the Scheme Trustees.

- Notwithstanding anything to the contrary contained in any contract or document, any benefit payable by the Scheme upon the death of a Member shall not form part of the assets in the estate of such Member, but shall be dealt with in terms of the Rules.
- Whilst letters of administration are important nomination forms are the critical basis for Trustees' decision on payment of benefits to dependants.

“TRIVIAL AMOUNT”

Means the amount which shall from time to time be determined by the Retirement Benefits Authority Guideline to constitute a Trivial Pension. The current amount is Kshs. 9,200.00.

INCOME DRAWDOWN OR PENSION ON RETIREMENT

A Member may opt for an income drawdown of his Scheme Credit at the date of his retirement. Income drawdown is an alternative to the purchase of an annuity for members at retirement age. The minimum drawdown period is ten (10) years.

MEMBER RECORDS

Every change in Marital status must be notified to the Trustees. Members are required to complete nomination forms indicating proportions in which their death gratuity should be distributed to their dependants. Every increase or decrease in number of children and change of address shall be notified to the Trustees.

MEMBER SELF SERVICE PORTAL

The Scheme has installed a member self-service system for use by all members. Members may access the system through the Scheme website www.postapension.co.ke and clicking the member portal section on the main page.

BENEFITS NON-ASSIGNABLE

Except for the purpose of securing facility for a home from an institution recognized for the purpose under the Act, any benefits payable or to be paid under these Rules is not assignable.

USE OF ACCRUED BENEFITS TO SECURE MORTGAGE

Legal notice No. 85 of 2009 effective from 12th June, 2009 allows serving pensionable members to assign up to 60% of their accrued benefits as additional security for mortgage from approved lending institutions.

TRUST DEED AND RULES

The above is a summary of the Scheme benefits and provisions. A more detailed and precise description is contained in the Scheme Trust Deed and Rules.

SCHEME AUDITED ACCOUNTS

The 10th set of Scheme's Audited accounts (for the year ended 30th June 2020) is now available for members' perusal at the download area of the Scheme website available at www.postapension.co.ke. Any queries should be directed to the Trust Secretary. The Accounts are also available at the Scheme Offices and all PCK Regional Offices throughout the country.

BOARD OF TRUSTEES

Mr. George L. Andati - Chairman
Mrs Freda Gachie Kimathi - Trustee
Mrs Jennipher Oywer - Trustee
Mr. Simon Gachara - Trustee
Mr. Philemon Munai - Trustee

SERVICE PROVIDERS

BANKERS

Standard Chartered Bank Kenya Limited
(Kenyatta Avenue Branch, Nairobi)

CUSTODIAN

Kenya Commercial Bank Limited
(Kencom House, Nairobi)

AUDITORS

Mazars Certified Public Accountants
Green House 3rd Floor (Suite 8) Koka Place
Ngong Road
P.O. Box 61120-00200

NAIROBI

INVESTMENT MANAGERS

- African Alliance (K) Management Co. Ltd
P.O. Box 27639 - 00506
NAIROBI
- ICEA Lion Asset Management Limited
Riverside Park, Chiromo Road
P.O. Box 46143-00100
NAIROBI

LEGAL ADVISOR

Corporation Secretary – Postal Corporation of
Kenya, (Posta House, Nairobi)

TRUST SECRETARY

Mr Elijah K. Koskey

ISSUED BY THE BOARD OF TRUSTEES: OCTOBER, 2020

**Postal Corporation of Kenya
Staff Retirement Benefits Scheme
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