



KENYA POWER  
PENSION FUND

Issue 22

# KPPF

## E-news

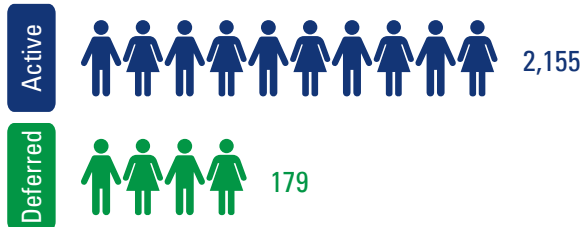
### What's inside:

Membership (As at 31 <sup>ST</sup> March 2022)	1
Financial Performance	2
Updates in Brief	3
Topical Issues	4
Pictorial Spread	5

# MEMBERSHIP

## AS AT 31ST MARCH 2022.

### Defined Benefits (DB) Fund



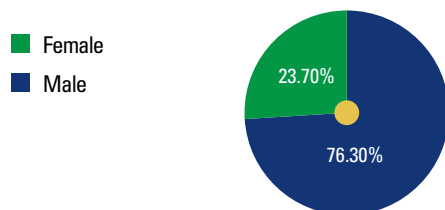
#### Age Analysis for In-service Members.

Age Analysis	No. of Members	Percentage
40-44	16	0.74%
45-50	231	10.72%
51-54	694	32.20%
55-59	1,181	54.80%
Above 60	33	1.53%
<b>Total</b>	<b>2,155</b>	<b>100.00%</b>

- Oldest member - 64.57 years
- Youngest member - 42.28 years
- Average age - 54.97 years

Twenty-five (25) members have attained the normal retirement age 60 years but due to their disability status and in accordance with the law, their retirement has been revised to 65 years.

#### Active Gender Age Analysis



### Pensioners

There were a total of 4788 pensioners comprising of retirees and beneficiaries as illustrated below:

Category	No. of Pensioners	Percentage
Retirees	2,304	48.12%
Widow(er)	1,567	32.73%
Orphans	917	19.15%
<b>Total</b>	<b>4,788</b>	<b>100.00%</b>

#### Age Analysis for Retirees

Majority of the retirees are aged between 61-70 years, with 69 retirees aged 80 years and above.

Age Analysis	No. of Members	Percentage
51-60	220	9.55%
61-70	1,563	67.84%
71-80	452	19.62%
Above 80	69	2.99%
<b>Total</b>	<b>2,304</b>	<b>100.00%</b>

### Pensioners Payroll for 1ST Quarter 2022

75.49% of the total pension payroll was paid to the retirees.

Category	No. of Members	Amount (Kshs.)	Percentage
Retirees	2,304	195,094,624.45	75.49%
Widow(er)s	1,576	54,577,567.79	21.12%
Orphans	917	8,765,548.25	3.39%v
<b>Total</b>	<b>4,788</b>	<b>258,437,740.49</b>	<b>100.00%</b>

### Defined Contributions (DC) Fund



During the quarter, the number of in-service members decreased from 7,464 in Q2 2021 to 7,415 in Q3 2021. This was attributed to withdrawals and retirements during the period.

#### Age Analysis for In-service Members

Age Analysis	No. of Members	Percentage
20-24	1	0.01%
25-29	39	0.55%
30-34	513	7.24%
35-39	1,376	19.43%
40-44	1,531	21.62%
45-49	1,196	16.89%
50-54	1,098	15.50%
55-60	1,295	18.28%
Above 60	34	0.48%
<b>Total</b>	<b>7,083</b>	<b>100.00%</b>

- Oldest member - 64.57 years
- Youngest member - 24.85 years
- Average age - 46.01 years

### Received Contributions for Quarter One 2022

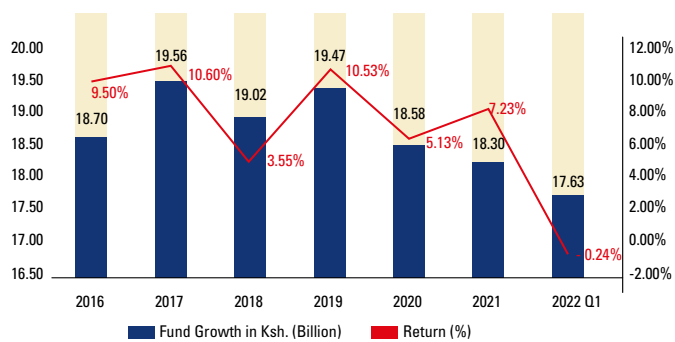
Month	Employee (Kshs)	Employer (Kshs)	AVC (Kshs)	Total (KShs)
Jan 2022	35,704,359.14	71,459,810.43	4,070,776.79	111,234,946.36
Feb 2022	35,626,136.59	71,088,402.35	4,080,627.20	110,795,166.14
Mar 2022	35,485,432.00	70,837,249.84	4,129,068.62	110,451,750.46
<b>Total</b>	<b>106,815,927.73</b>	<b>213,385,462.62</b>	<b>12,280,472.60</b>	<b>332,481,862.95</b>

# FINANCIAL PERFORMANCE

## Defined Benefits

The overall Fund return on investment for the quarter ended March 2022 stood at -0.2% compared to a return of 1.8% recorded in the quarter ended March 2021. The reduced performance was attributed to the negative valuations recorded in the Treasury Bonds and Equities market. The Fund value reduced from Kshs 18.30 billion as at 31st December 2021 to Kshs 17.63 billion as at 31st March 2022. This is because Defined Benefits (DB) Fund is a closed fund meaning there are no contributions to the Fund. The income received from investments is used to pay benefits for members retiring and those leaving service.

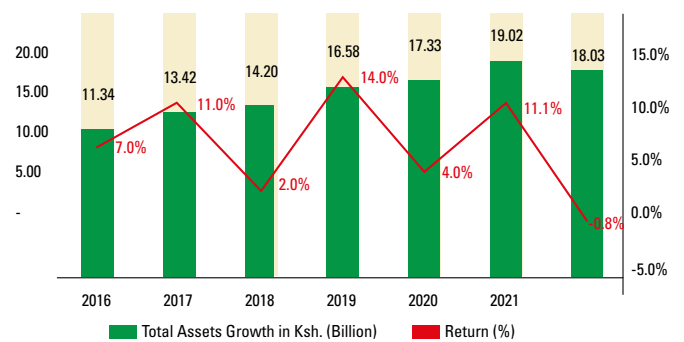
Fund Growth and Return (%)



## Defined Contributions

During the quarter ended March 2022, the Fund registered a return on investment of -0.8%, compared to a return of 2.82% recorded in the quarter ended March 2021. The reduced performance is attributed to the negative valuations recorded in the Treasury Bonds and Equities markets. The Fund value reduced from Kshs 19.02 billion as at 31st December 2021 to Ksh 18.03 billion as at 31st March 2022.

Asset Growth in Ksh. (Billion) and Return (%)



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# UPDATES IN BRIEF

## Kenya Pensions Awards 2022

We are elated to have scooped 'Pension Scheme of the Year' award during the Kenya Pensions Awards Gala held March, in Pride Inn-Mombasa. The Kenya Pensions Awards is an annual event that celebrates excellence, professionalism, and dedication of organizations and individuals within Kenya's pensions' space. The awards are organized by Kenya Pensions Awards in liaison with the Association of Pension Trustees and Administrators of Kenya (APTAK) and attracts several participants nationwide. The overall objective of these awards is to recognise organizations that offer the highest level of innovation, performance and customer experience to their members – and have done the most to improve the same over the past year.

The 'Pension Scheme of the Year' award acknowledged the pension schemes that go beyond areas of investment, communication, and scheme design, and have developed their value proposition with a clear focus on what really matters – meeting member needs.

Many other equally capable organizations also took part in this, and we would like to extend our congratulatory message to those who were similarly feted in other categories.

## Our New Strategy

2021 financial year marked the beginning of yet another strategy period for the Fund. The Board developed the 2021-2025 strategic plan. In its Vision, the Funds aims achieve Improved quality of life in retirement for members and beneficiaries by providing sustainable financial and health care support to our members and their beneficiaries

The strategic plan is anchored on six strategic pillars that shall define the priority areas for the KPPF in the next five years they include:

### I. Leadership and Corporate Governance

The overall goal of this pillar is to strengthen the role and responsibilities of the Board of Trustees of KPPF in undertaking the following functions: strategic management, monitoring and supervision, overseeing compliance with ethics, regulations and legislation, and representing the institution.

### II. Strategic Investments

This Pillar aims to maximize the long-term real return on the Fund's assets while actively managing portfolio risk such that the Fund's assets (realizable value) at any one time are able to meet 100% of total accrued liabilities: while doing so in an efficient, prudent and cost-effective manner in accordance with the Fund's trust deed and applicable laws and regulations.

### III. Member Driven Fund

As a membership-based pension fund, KPPF shall focus its passion and energy on its members and partners and refine the client services so as to remain the "Best-In-Class" against peers and be regarded as the pension of choice. KPPF shall develop the capability to satisfy members keeping in line with members"

### IV. Human Capital Capacity

This pillar addresses the interventions that will be undertaken to address current and future workforce needs of KPPF. Through strategic partnerships and collaboration, the Human Resource department attracts, develops and retains a high performing, inclusive and diverse workforce and fosters a healthy, safe, well-equipped and productive work environment for employees, their families, departments, partners and the public in order to maximize individual potential, expand organizational capacity and position KPPF as an employer of choice.

### V. Operational Excellence

Achieving operational Excellence means streamlining structures, systems, and processes within the fund in order to optimize stakeholders' value using the available resources. The overall goal of this pillar will be to align operational structures, inter-departmental collaborations and streamline processes.

### VI. ICT & Innovation

This pillar identifies ICT as an enabler of innovation to support new ideas emanating from the entire Fund by providing the required technologies towards achieving the innovations. Adequate and appropriate ICT underpins all aspects of KPPF's work. It is integral to the delivery of pension fund's services:

## Member Education

Member engagement remains one of the Fund's key objectives and to achieve this, we engaged the members in various member education programs. Due to the pandemic, in 2021, some seminars were conducted virtually through zoom and Microsoft teams in view of the Ministry of Health guidelines on the control of the spread of COVID-19 pandemic. However, where physical meetings were the preferred mode, like for the retirees, adequate measures were put in place to ensure that the health of the members, trustees and Secretariat staff was assured.

As the COVID -19 restrictions were eased by the Ministry of Health in 2021, we are pleased to report that the Fund has started conducting physical seminars as was the case previously giving priority to areas that have not been reached before due to different challenges.

# TOPICAL ISSUES

## Retirement Income Options

Upon retirement, you have the choice and flexibility to set up your retirement income. However, it is key to note that the decision you make now, will ultimately affect the options available to you in the future. If you will be retiring in the next few years, you may especially want to start thinking about what options would be most suitable for you.

The Fund provides you with two options to receive your retirement income. These are Income Drawdown and Annuity.

Income drawdown is an arrangement that allows you to draw your retirement benefits into regular instalments upon retirement, while the balance remains invested. If you select Income Drawdown as your preferred option, your benefits remain within the Scheme, and you also get to enjoy the flexibility of choosing the amount, frequency and timing of your pension income withdrawals based on your requirements. A member is also allowed to access their benefits after a period of 10 years minimum, after which you may opt for one of the options below;

- continue with the drawdown arrangement; or
- purchase an annuity; or
- access the remaining balance as a lumpsum

Annuity on the other hand, is a product provided by insurance firms upon retirement. The Secretariat will source and provide you with quotes from different insurance firms for you to compare the different levels of income you could receive and select your preferred firm. Your benefits are then transferred to the insurance firm and thereafter, you will receive your pension in regular instalments e.g., monthly- for the rest of your life. However, annuity does not increase with investment returns, and once it starts, you cannot change or rescind your decision. There are different types of annuities one could opt for e.g., Single Life, Joint Life, Guaranteed and Increasing/Escalating Annuity.

You are encouraged to keenly consider the pros and cons of the provided options and see how they will each affect you and your beneficiaries' lifestyle during retirement and make the right decision.

## INCOME DRAWDOWN

ENJOY FLEXIBILITY IN YOUR RETIREMENT INCOME



TALK TO US TODAY AND LEARN MORE.

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# PICTORIAL SPREAD



2022 Nairobi Region retirees during a pre-retirement seminar at Safari Park Hotel.



Trustees Sakwa and Ochieng' and KPPF staff during the Kenya Pensions Awards 2022.



KPPF staff receiving our trophy at Kenya Pensions Awards Gala at Pride Inn, Mombasa



KPPF staff and other Kenya Pensions Awards, 2022 winners.



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