

# KPPF

## E-News

ISSUE 23

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# MEMBERSHIP

## AS AT 30TH JUNE 2022

### DEFINED BENEFITS (DB) FUND



In-service members - 2,107



Deferred members - 173

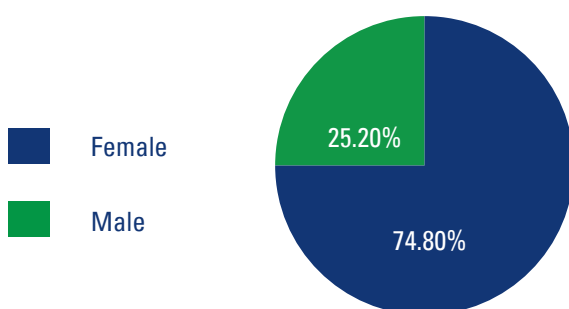
#### Age Analysis For In-Service Members

Age Analysis	No. of Members	Percentage
40-44	15	0.71%
45-50	222	10.54%
51-54	673	31.94%
55-59	1,165	55.29%
Above 60	32	1.52%
<b>Total</b>	<b>2,107</b>	<b>100.00%</b>

- Oldest Member 64.82 years
- Youngest member 42.53 years
- Average Age 55.14 years

Thirty-two (32) members have attained the normal retirement age of 60 years. However, 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 4,854 pensioners comprising of retirees and beneficiaries as shown in the table below.

Category	Number of Pensioners	Percentage
Retirees	2,342	48.25%
Widow(er)	1,599	32.94%
Orphans	913	18.81%
<b>Total</b>	<b>4,854</b>	<b>100.00%</b>

#### Age Analysis For Retirees

Majority of the retirees were aged between 61-70 years with 69 of them aged above 80 years.



#### Pensioners Payroll For Quarter 2 2022 (April to June 2022)

Category	No. of Members	Amount (Kshs.)	Percentage
Retirees	2,342	197,546,110.34	74.67%
Widow(er)s	1,599	57,807,310.27	21.85%
Orphans	913	9,192,882.95	3.47%
<b>Total</b>	<b>4,854</b>	<b>264,546,303.56</b>	<b>100.00%</b>

- 74.67% of the total pension payroll was paid to the retirees.

### DEFINED CONTRIBUTIONS (DC) FUND



In-service members - 7,037



Deferred members - 683

During the quarter, the number of in-service members decreased from 7,075 in Q1 2022 to 7,037 in Q2 2022. This was attributed to withdrawals and retirements during the period.

#### Age Analysis For In-Service Members

Age Analysis	No. of Members	Percentage
25-30	34	0.48%
31-35	499	7.09%
36-40	1,336	18.99%
41-45	1,549	22.01%
46-50	1,221	17.35%
51-55	1,082	15.38%
56-60	1,284	18.25%
Above 60	32	0.45%
<b>Total</b>	<b>7,037</b>	<b>100.0%</b>

- Oldest Member 64.82 years
- Youngest member 25.10 years
- Average age 46.12 years

# MEMBERSHIP

## AS AT 30TH JUNE 2022

### Received Contributions For 2Nd Quarter 2022

Month	Employee (Kshs)	Employer (Kshs)	AVC (Kshs)	Total (KShs)
April 2022	35,331,106.99	70,562,102.92	4,181,433.12	110,074,643.03
May 2022	35,095,379.28	70,051,415.84	4,062,495.63	109,209,290.75
June 2022	35,492,136.93	70,790,075.74	4,053,729.63	110,335,942.30
<b>Total</b>	<b>105,918,623.20</b>	<b>211,403,594.50</b>	<b>12,297,658.38</b>	<b>329,619,876.08</b>

### INCOME DRAWDOWN (IDD)

During the quarter ended June 2022, the fund registered a return on investment of 1.31%, compared to a return of 3.49% recorded in the quarter ended June 2021. The reduced performance is attributed to the negative valuations recorded in the Treasury Bonds markets. The fund value increased from Ksh 365.88 million as at 31st December 2021 to Ksh 630.07 million as at 30th June 2022.

### Member Movement

Description	Period 1st April to 30th June 2022
Active members beginning of the quarter	146
New entrants	20
Transfers out	0
Death in retirement	0
Active members as at the end of the quarter	166

### Active Members Age Analysis

Age Analysis	No. of Members	Percentage
50-54	9	5.42%
55-59	16	9.64%
60-64	139	83.74%
65-69	2	1.20%
<b>Total</b>	<b>166</b>	<b>100.0%</b>

- Oldest Member 65.84 years
- Youngest member 50.50 years
- Average age 60.30 years

Members aged between 50-54 and 55-59 years are those who opted for early retirement. The Fund's largest membership was in the 60-64 years age bracket. During the quarter, twenty (20) retirees joined the Fund.

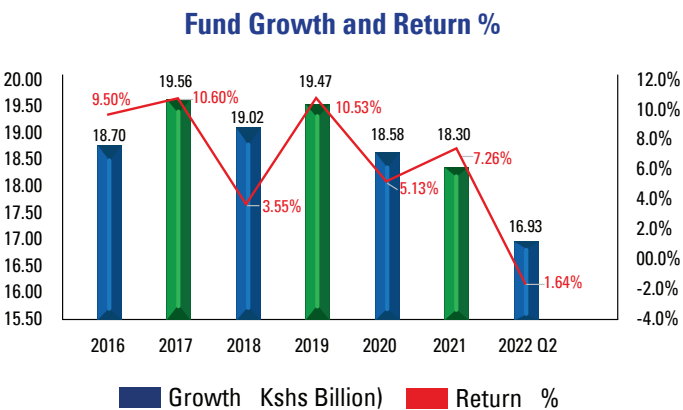


# FUND PERFORMANCE



## Defined Benefits (DB)

The overall fund return on investment for the quarter ended June 2022 stood at -1.6% compared to a return of 1.8% recorded in the quarter ended June 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 16.93 billion as at 30th June 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.



## Defined Contribution (DC)

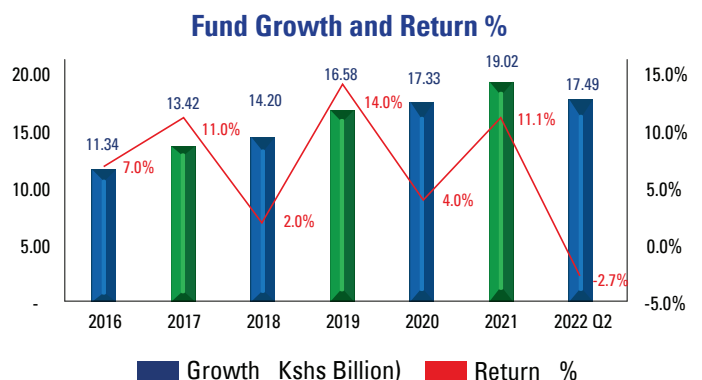
During the quarter ended March 2022, the Fund registered a return on investment of -2.7%, compared to a return of 4.6% recorded in the quarter ended June 2021.

The reduced performance is attributed to the negative valuations recorded in the Treasury Bonds & Equities markets. The Fund value reduced from Kshs 19.02 billion as at 31st December 2021 to Ksh 17.49 billion as at 30th June 2022.

## Economic Outlook

The economy is expected to grow at a softer pace in 2022 supported by the continued recovery of the manufacturing and services sectors. The agricultural sector is however expected to remain subdued owing to unfavorable weather conditions.

The negative effects from the Russia-Ukraine war and uncertainties from the upcoming August polls also continue to present downside risks to economic growth. While Kenya's economy has been resilient, the multiple recent shocks show the urgency of improving social protection mechanisms to cushion the most vulnerable households.



# UPDATES IN BRIEF



## **Member Education**

The Fund continues to prioritize member education to ensure that members remain consistently informed and properly engaged. Given the uncertainty during the just concluded election period, this was put on a brief hold. However, the pre-retirement breakfast seminars have commenced and are currently ongoing. Members are encouraged to attend these meetings and learn more about the Fund, and what products it has to offer. It also presents a good opportunity to have one-on-one interactions with the Fund's representatives in case a member has any specific inquiries about their benefits.

# TOPICAL ISSUES



## Adjusting To Retirement

A lot of us spend time picturing our ideal retirement, whether it's spending more time with family and friends, pursuing hobbies traveling, or simply enjoying the freedom to relax for a change. However, there is a good chance that we often put a lot of thought to planning for the financial aspects of retirement and overlook the psychological impact of retirement.

Initially, escaping the hassle and long commute, workplace politics and such like things can seem like a great relief. However, for many new retirees the novelty of being permanently at home begins to wear off after a few months as their lifestyles slow down.

Some retirees even begin to miss the sense of identity and purpose that came with their jobs, the structure it gave their days, or the social aspect of having colleagues. Instead of feeling relaxed, they start to feel bored and isolated. This comes with stress and worry about how one is going to occupy their days, leading to mental issues such as depression or anxiety in some cases.

Some retirees even experience as strain in their relationships. Regardless of how much you've been looking forward to it, retiring from work is a major life change that can bring stress as well as benefits. In fact, some studies have linked retirement to a decline in health. Your outlook on life will influence how well you handle the transition from work to retirement.

With a positive, optimistic viewpoint, you'll likely handle the change better than if you're prone to worrying or struggle to cope with uncertainty in life. Whether you're already retired and struggling with the change, planning to make the transition soon, there are healthy ways to adjust to this new chapter in your life and ensure your retirement is both happy and rewarding. Just as you transitioned from childhood into adulthood, you can make the transition from work to retirement seamless by following these tips:

# TOPICAL ISSUES



## Retirement Tips

**Adjust your attitude:** Putting much focus on things that you have little or no control over can be as exhausting as it is futile. Whatever the circumstances of your retirement, by accepting them, you can refocus your energy to the things that you do have control over such as the way you choose to react to challenges or obstacles. Adjust your attitude by focusing on what you're gaining, rather than the things you're losing, and think of retirement as a journey rather than a destination. Similarly, allow yourself to go through the entire emotional process that most people go through when adjusting to retirement as this is only normal and give yourself ample time to figure everything out at your own pace.

**Set new goals:** Your pre-retirement life was highly likely measured through meeting milestones such as concluding projects or meeting deadlines. You can still set different goals for yourself after you retire. Having such goals can energize you, provide a sense of purpose, and help to redefine your identity. You may have already achieved many of your professional goals in life, but it's important to keep giving yourself new objectives to strive towards. Set goals that challenge and excite you and keep you moving forward in life. This may be an ideal opportunity to focus more on your own hopes and dreams.

**Redefine your identity:** Many of us get our identity from what we do for a living. After retirement, you can find new ways of defining yourself through non-work-related activities and relationships. If you were once an IT Manager, for instance, you're now a mentor, volunteer, grandparent.

**Nurture hobbies and interests:** If you currently have a hobby that enriches your life, you can make use of your retirement to invest more of your time to pursuing it. Whether you choose to farm or help out at your local church, keep identifying ways to get involved in your community while doing something you are passionate about.

**Keep physically active:** Regular moderate-intensity physical should be part of your routine. Physical exercise is a very effective way to boost your mood, relieve tension and stress, and help you feel more relaxed and positive as you get older. No matter your age or limitations in mobility, there are still ways for you to reap the benefits of regular exercise. Aim for at least 150 minutes of activity every week.

**Eat a healthy diet:** While keeping active, eating a balanced, nutritious diet as you age can also help you maintain a positive outlook.

**Strengthen your social network:** Retirement poses a significant risk of becoming isolated for many of us, after working for several years and mainly making friends through work and seeing them every day, our social ties are closely linked to our jobs. Make an effort to stay in touch with old work colleagues after retirement and explore opportunities to broaden your social network beyond those circles. You can identify any programs offered at your local church or community or find a group of like-minded individuals who share an affection for your favourite hobby e.g. farming. You're never too old to build new, rewarding friendships.

**Keep challenging your brain:** Studies have shown that learning in later years can help people stay independent. It would therefore be wise to use your free time to continue to challenge yourself mentally. If you like to cook, experiment with new recipes and ingredients. Whether it's finding stimulating ways to spend your days, learning a new skill, or playing sports, it's important to keep challenging your brain after you've retired. The more active you keep your brain, the better you'll protect yourself from cognitive decline or memory problems.

Following these tips might help you adjust to retirement better so you can feel fulfilled and happy during this chapter of your life.





KENYA POWER  
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