



Better with Zamara

Your financial and insurance partner,
powering your prosperity.

**KSG SRBS Member
Education**

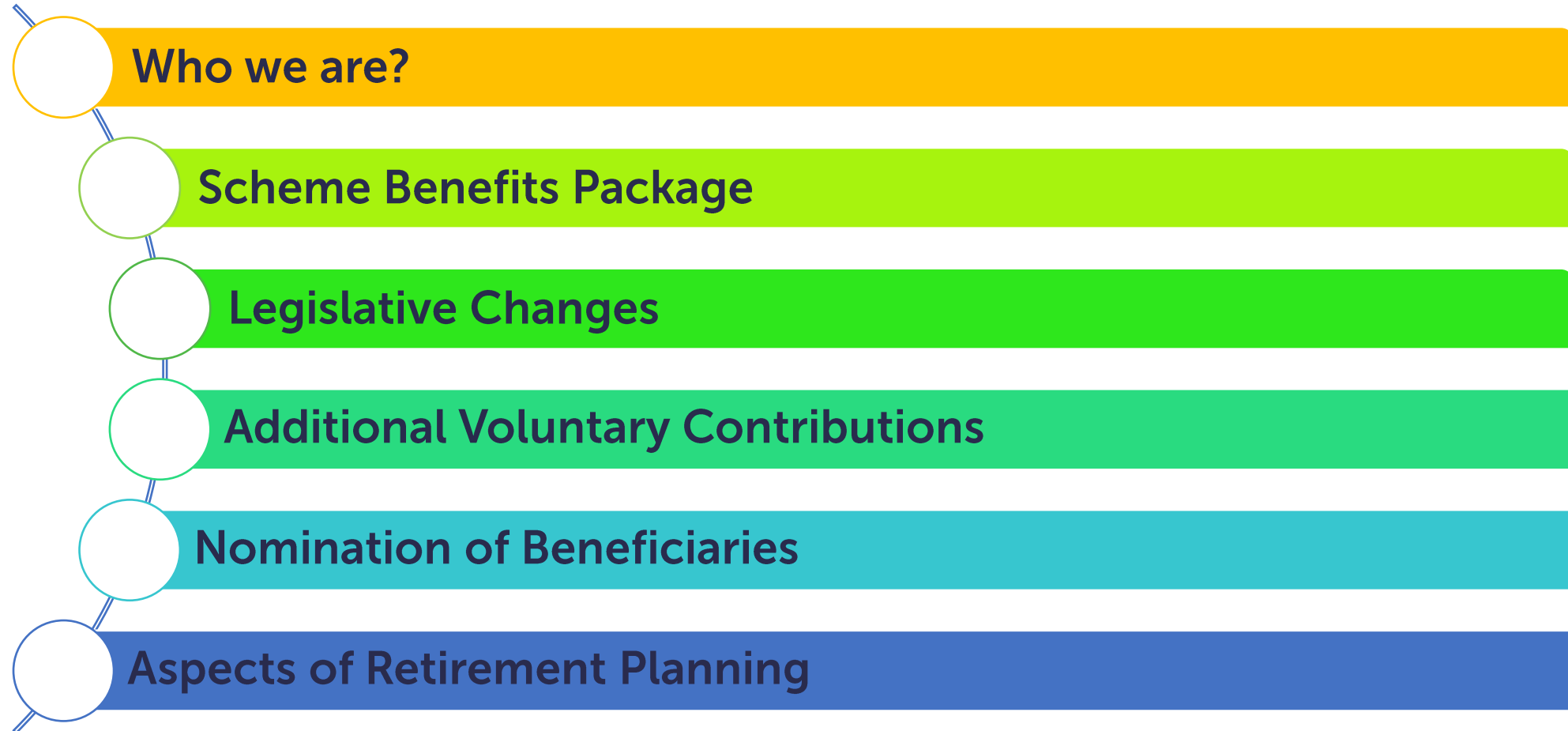
**All Campuses and Head Office
Kenneth Wendo**

Why are we here?

- To understand Pension benefits offered by the Sponsor
- Update members on legislative changes
 - Have a conversation about money and Retirement.
 - A conversation on scheme operations.



Course Outline



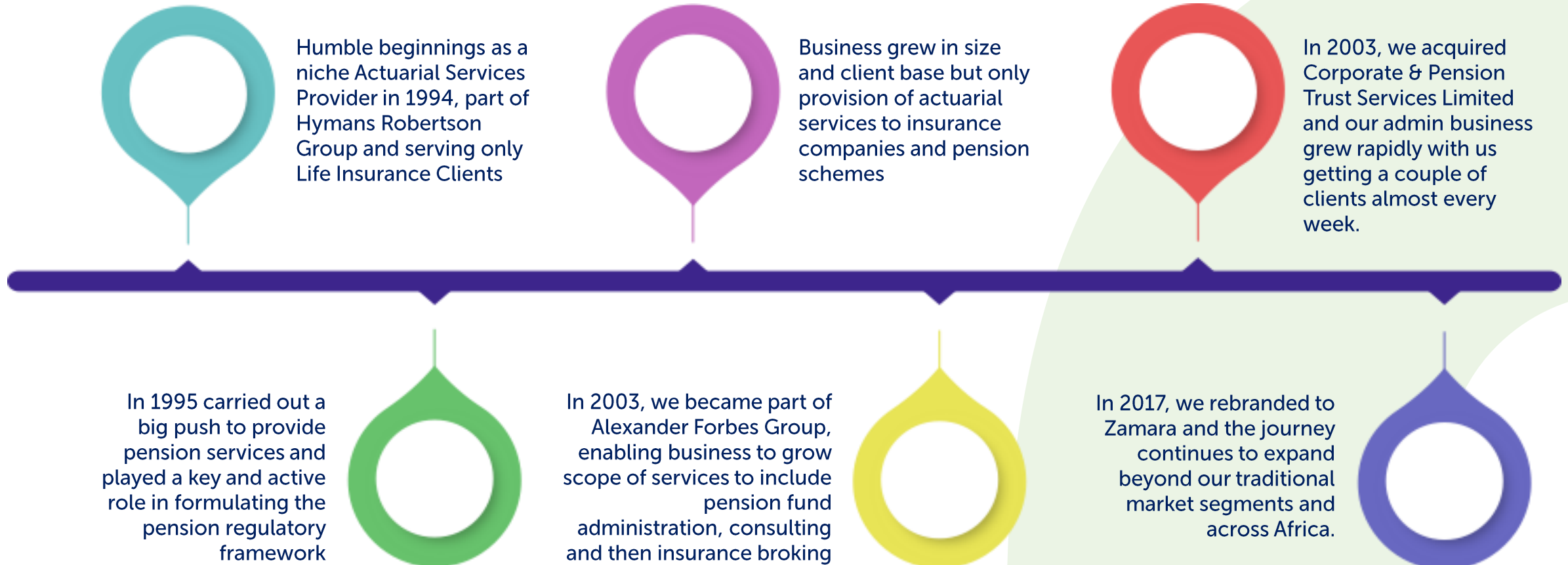


We are

- Specialist Financial Services provider offering **Actuarial, Pensions, Medical and Insurance solutions**
- **Market and Thought Leaders**
- With aspiration to widen and deepen service offering and market segments
- Rooted in Kenya, with Pan African ambition
- **Innovators** – bringing fresh perspective to financial services and solutions



A Dynamic Force in Africa with a Rich Heritage



The Story so far

- Presence in 6 countries including Kenya
- One Zamara service model
 - Pensions
 - Insurance
 - Actuarial
- Well positioned Pan African growth ambition



Our Values

SIMPLICITY



We choose simple over complex

EMPATHY



We strive to see the world through our customers' eyes

TRUST



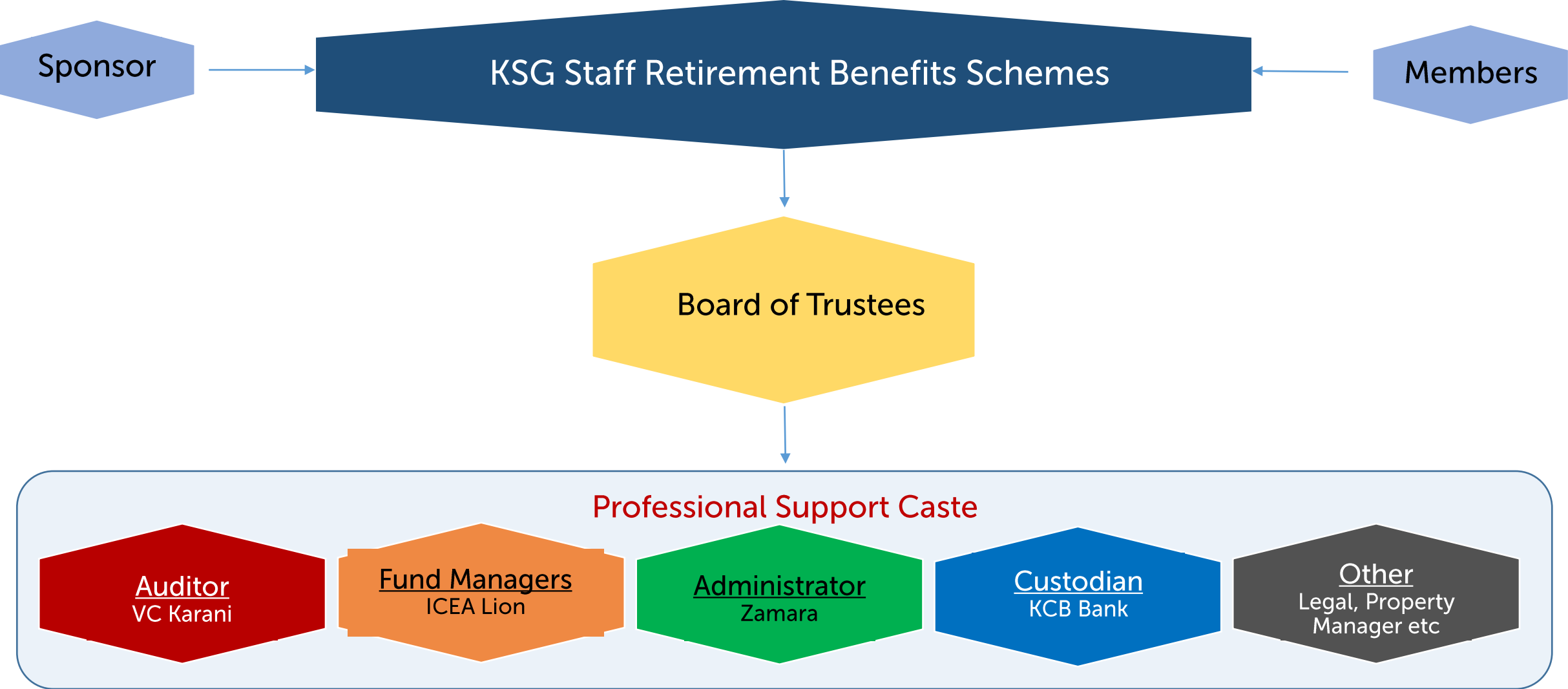
We earn trust by being trustworthy and accountable



Scheme Structure & Benefits Package



Scheme Structure



Board of Trustees

Sponsor Appointed Trustees	Member Elected Trustees
Mr. Joseph Musyoki	Mr. Ishmael Maingi
Prof. Peter Ngatia	Ms. Sarah Bukachi
	Mr. Muhumed Mohamed Kalmey
Trust Secretary	
Prof. Nura Mohamed	

Newly Elected Trustees

1. Eveline Wahome
2. John Kirimi Mwenda

- Trustees serve a 3-year term which is renewable once
- Trustees are supported by the Trust Secretary and HR

How Scheme Works

$$C + I = B$$

Contributions (C)

- Employee – 7.5 % + AVC
- Employer – 15%

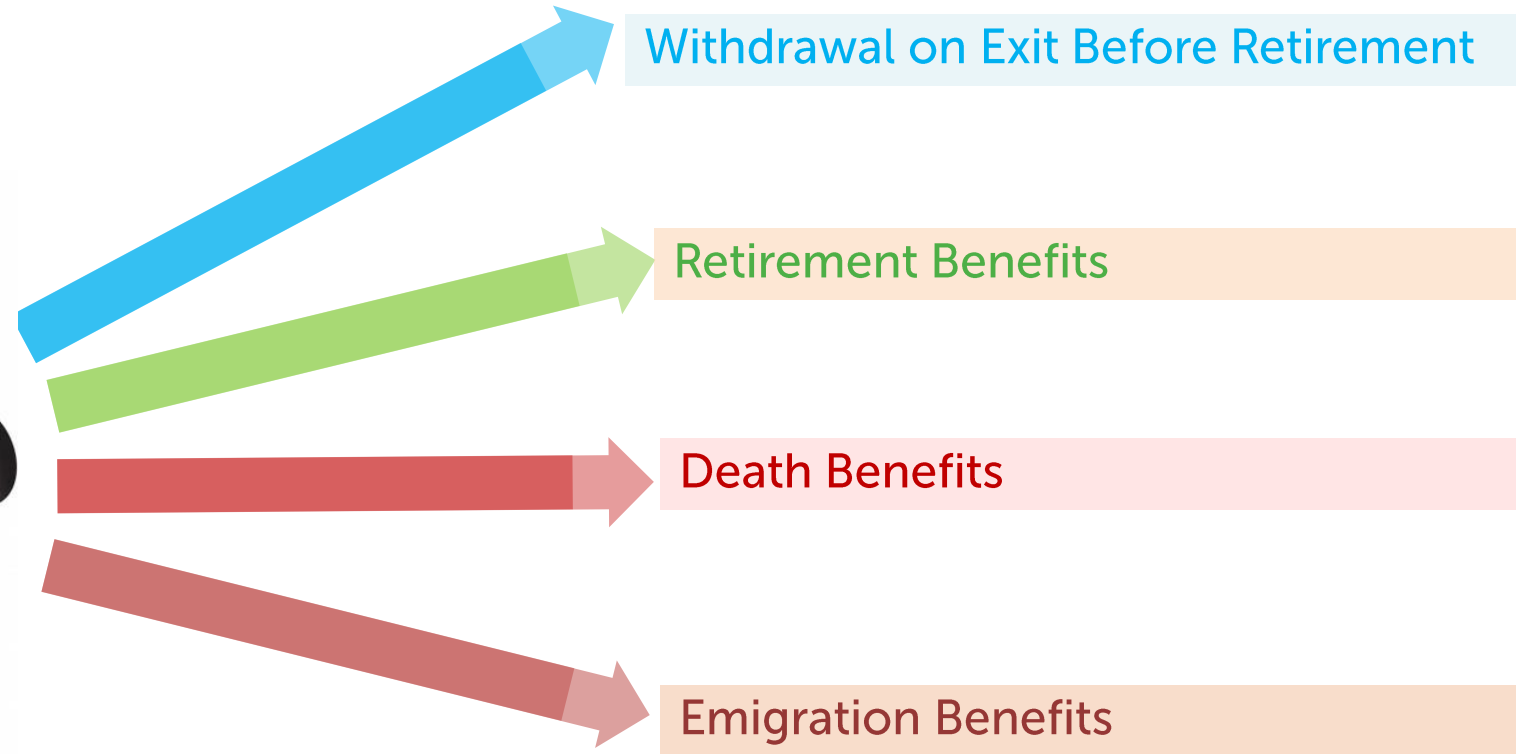
Investment Returns (I)
(less expenses)



Benefits (B)

- $B = C + I$
- Benefit will be based on contributions made and returns distributed

Fund Benefits



Accessing Scheme Benefits

- Early exit (resignation, dismissal, retrenchment below age of 50 years)
 1. Cash benefit (within preservation provisions)
 - 50% total accrued benefits
 - Balance of 50% accrued benefits can be;
 - Preserved/deferred until retirement age; or
 - Transferred to another registered scheme
 2. Transfer entire benefit to a registered fund (incl. Personal Pension Plan)
 3. Defer total benefit in the retirement fund



As you change jobs, choose to preserve your entire benefit

Accessing Scheme Benefits



Retirement (above 50 years)

- Accumulated contributions (both EE and ER) with interest
- Paid as an annuity or income drawdown
- Option of commuting 1/3 as a lumpsum



Emigration

- Accumulated contributions with interest paid as a lump sum
- Provide evidence of no present intention of returning to Kenya



Death in service

- Accumulated contributions with interest used to secure a spouse's pension

Death in Retirement

- If annuity or income drawdown - based on terms selected at retirement

Death in deferment

- Value of preserved benefits at the time of death

Scheme Investments

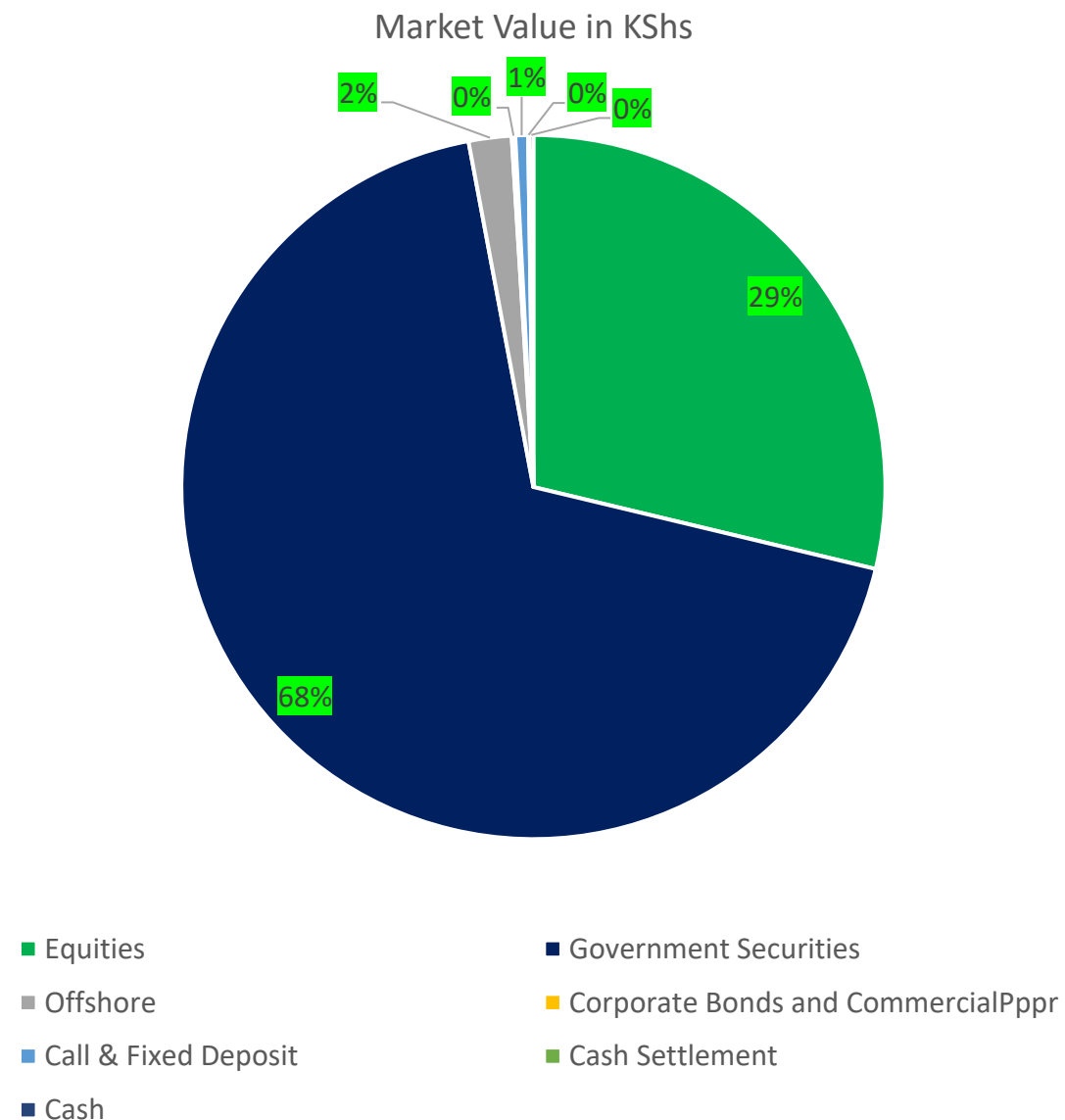


Investment Responsibilities

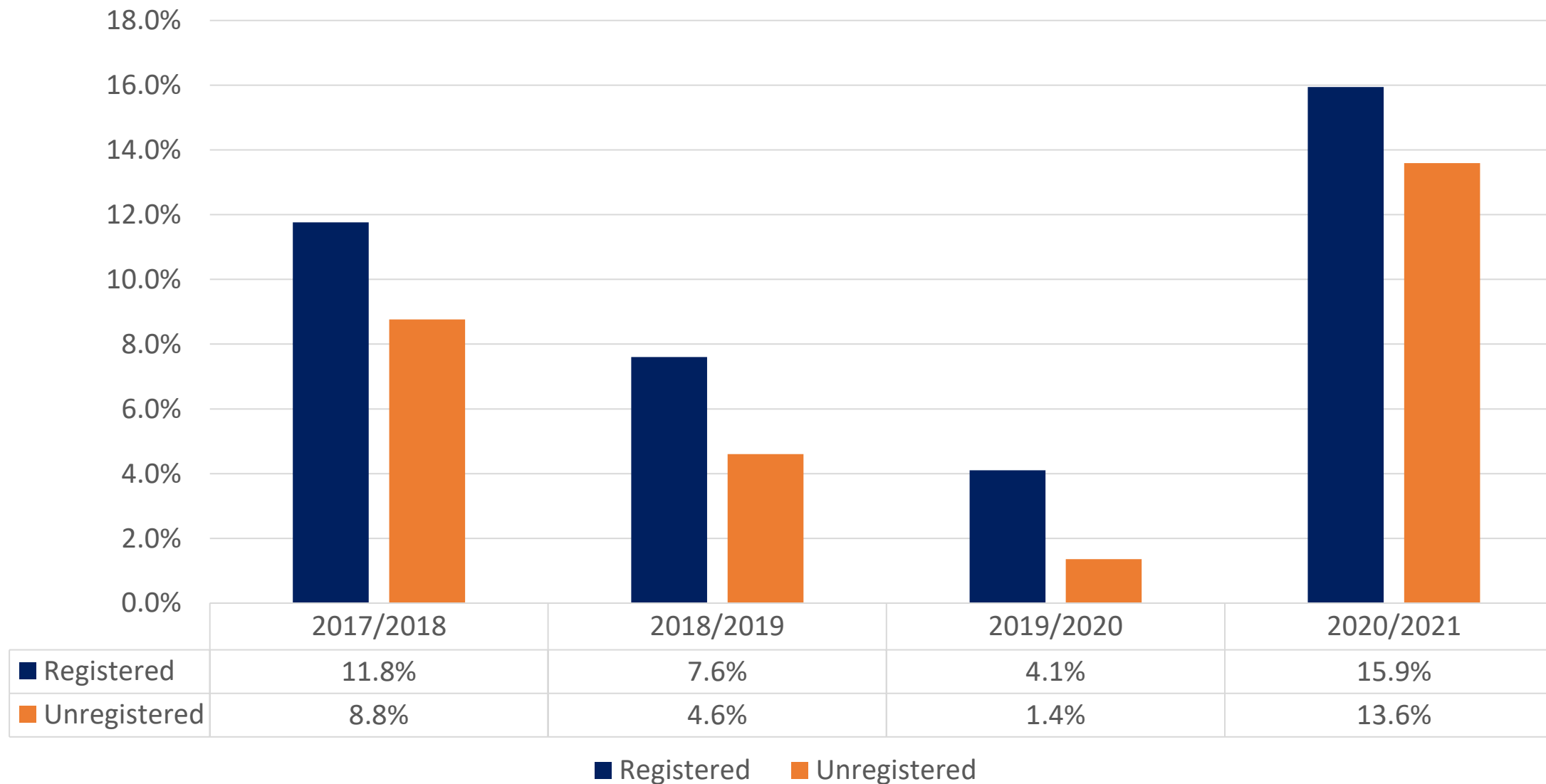
- To properly carry out its investment responsibilities, the Trustees have appointed external service providers
 - Investment Advisor
 - › Prepare Investment Policy Statement (IPS) every 3 years
 - › IPS provides the principles governing the investment decisions of the Scheme
 - › IPS provides the risk profile of Scheme which guides the classes of investments to be held
 - Investment Managers – ICEA Lion Asset Managers
 - › Advising Trustees on available investment options
 - › Invest Scheme assets in accordance with IPS and Retirement Benefits Investment Guidelines
 - › Report quarterly to Trustees and Retirement Benefits Authority on performance of Scheme

Scheme Investments – 31 March 2022

Asset	Market Value in KShs
Equities	276,842,405
Government Securities	657,903,217
Offshore	18,985,386
Corporate Bonds and CommercialPppr	1,576,901
Call & Fixed Deposit	5,606,590
Cash Settlement	508,500
Cash	1,802,261
Total	963,225,260



Scheme Returns Declared





Nomination of Beneficiaries Form & AVC's



> Nomination of Beneficiaries



Name of Retirement Scheme/Fund (The Fund)

Name of Employer/Sponsor/Founder

Section A - Personal information

Member names as it appears in original documentation

Member Full Name

Date of Birth

National ID No.

Member/Wuna No.

KRA PIN

Marital Status

Section B - Beneficiaries and Guardian(s) Details

Complete Section B overleaf

For official use only

Date received by the Trustees: _____ Date recorded: *dd mm yyyy*

Name of Trustee: _____ Signature of Trustee: _____



Beneficiaries Details

I hereby request the Trustees to pay any benefits which shall become due to me under the Trust Deed and Rules of the Fund to the beneficiaries detailed below in the proportion(s) indicated against the name of each beneficiary.

Full Name	Address/Mobile No.	Gender (M/F)	Date of Birth (dd/mm/yyyy)	Share of Benefit %	Relationship	Guardian (Name/Phone if any)

Guardian Details

In the event that children are under the age of 18 years and you wish to appoint a guardian for them, indicate the details of the Guardian(s) below:

Full Names	Address	Mobile No.	Gender (M/F)	Relationship

Member Declaration

I the undersigned, recognize that my circumstances and those of the persons shown above as beneficiaries may change. I undertake to advise the Trustees when any change should be made regarding my nominated beneficiaries. I understand that this form amounts to an expression of my wishes only and that it is not binding on the Trustees. I further understand that this nomination nullifies any previous nominations completed and submitted to the Trustees.

Member Signature: _____

Name of Witness: _____

Date: *dd mm yyyy*

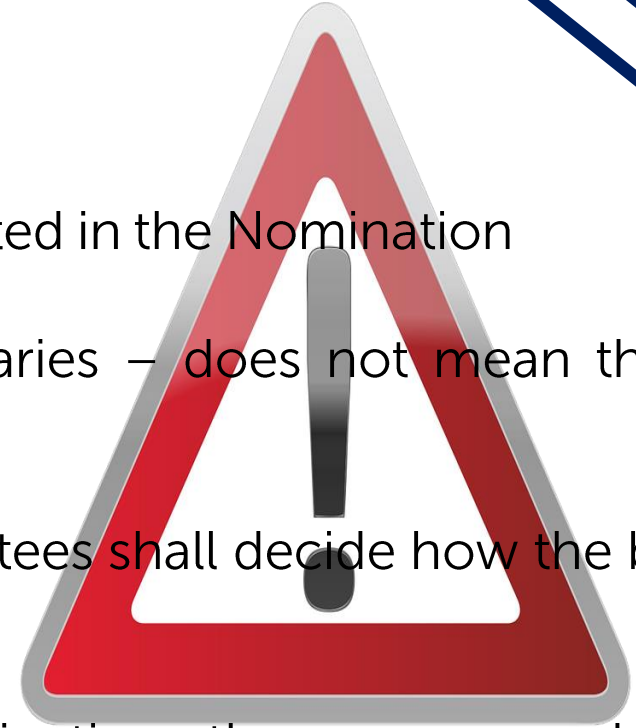
Signature of Witness: _____

Consider...

1. Who is **dependent** on you?
2. Who **will suffer** if you are not there today?
3. How should the **benefits be split** between the beneficiaries?
4. If you have any **children who are minors**, who will the guardian be? Should it be a **person or a trust fund**?
5. How **much money** is available for your beneficiaries?
6. How often should this form be **updated**?



- Pension benefits are **separate** from one's legal estate
- Trustees take in to account the wishes of the member as indicated in the Nomination
- Must also consider ALL dependants, nominees and beneficiaries – does not mean that they receive a portion of the benefit
- Where the member has not named a beneficiary then the Trustees shall decide how the benefits should be distributed
- If Trustees **refuse** to pay according to the member's nomination, the reasons and agreed distribution should be recorded



IMPORTANT



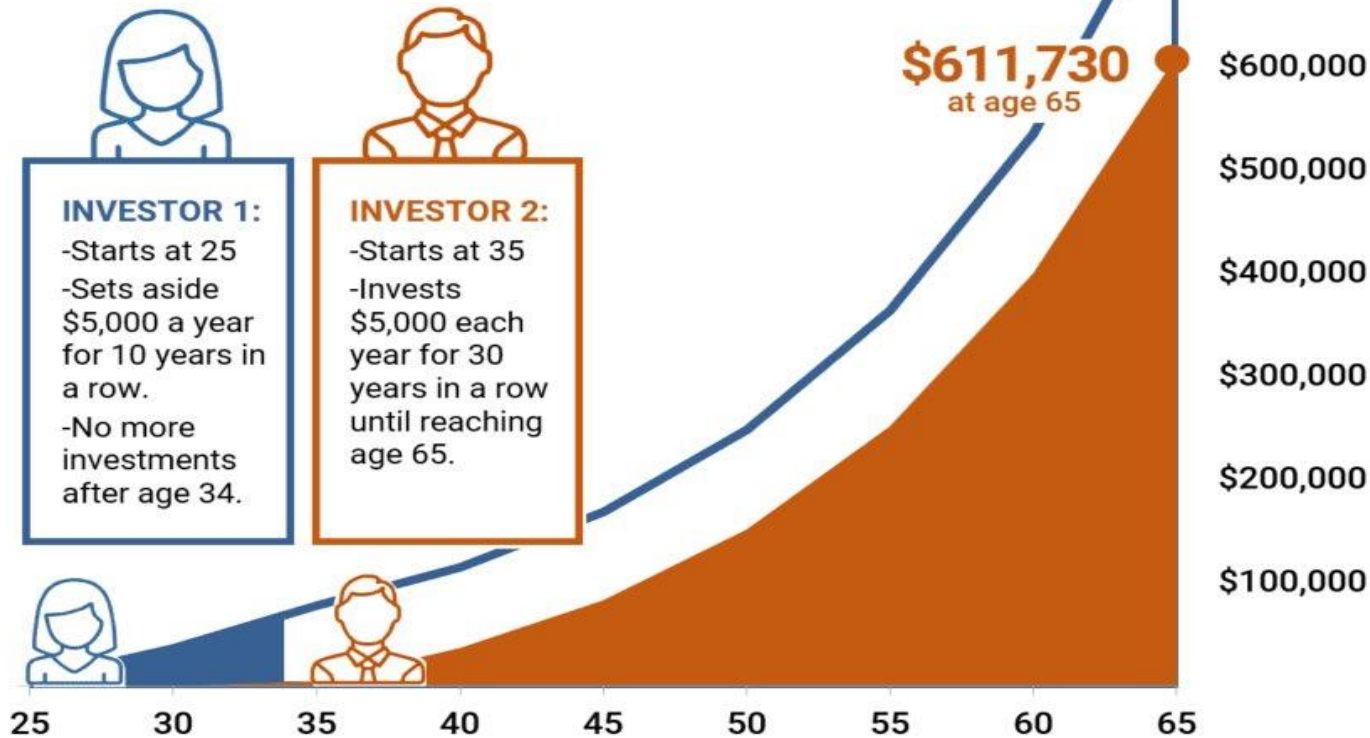
- Additional voluntary contributions (AVC) are contributions you can make to the Scheme over and above the contributions you are currently making of 7.5%
- Contribution can be through a percentage of your salary or a lumpsum figure determined by you

Why AVC



COMPOUND INTEREST: WHO WILL EARN MORE?

This example shows how the earlier a person takes advantage of compound interest, the more time that money has to grow.



“Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it.”

Albert Einstein

NOTES: Assumes an 8 percent interest rate, compounded annually. Balances shown are approximate.

Benefits of AVC



As part of monthly contributions these are deducted from your salary before application of tax



AVCs increase the value of your retirement benefit



AVCs are invested in the same manner as other contributions and the interest is on a compound basis



Can be accessed as a cash lumpsum at retirement

How do I Begin Contributing AVC

SIMPLE !!

- Complete Additional Voluntary Contribution Form & submit to the Pension Liaison



Additional Voluntary Contribution

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Powering Prosperity

Section A - Scheme Member Section

I, _____

M/No. _____ hereby request that my monthly contribution to the Scheme be increased by an amount of

KShs _____ as an additional contribution with effect _____

from _____

I also hereby authorise that the said amount be deducted from my monthly salary.

Signed: _____ Date: _____

You are requested to forward an original signed copy of this form to your Salaries Department Officer for approval.

Section B - Salaries Department Officer Section

Approved: _____ Date: _____

Kindly forward a signed and approved copy of this form to Zamara Actuaries, Administrators & Consultants Limited.

Zamara Actuaries, Administrators & Consultants Limited
P.O. Box 52439 - 00200 Nairobi, 10th Floor, Landmark Plaza
Argents Road, Opposite Nairobi Hospital

T +254 020 4969 000
E info@zamara.co.ke
W www.zamara.co.ke

Actuaries | Administrators | Consultants | Insurance Brokers



Retirement Benefits (Mortgage) Regulations



Retirement Benefits (Mortgage Loans) Regulations, 2009

Section 38

- **Assignment** of benefits for purposes of serving as guarantee for members seeking to obtain mortgage loans for the purposes of purchasing residential houses
- Members of schemes were allowed up to 60% of their accrued benefits held in the scheme as **collateral to guarantee** a mortgage loan issued by a qualified institution
- Under the arrangement, **no** monies were to be paid out of the schemes for the purchase of residential houses; instead, the retirement benefits scheme was only permitted to execute a legal assignment of the pledged amount to provide a **guarantee or collateral** for loans issued by a qualified financial institution under the Act

Retirement Benefits (Mortgage Loans) Regulations, 2009

Section 38



The residential house intended for purchase would serve as the **primary security** while the benefits pledged as collateral would serve as a secondary security in the event of a member defaulting on the loan



This arrangement was intended to reduce the cost of mortgage since the loan was secured by both primary and secondary securities



The arrangement enables members to access a residential house **without compromising** the retirement savings of the member

Retirement Benefits (Mortgage Loans) Amendment Regulations 2020



The new 2020 amendment of Section 38 (1A) does not set aside the provisions introduced in 2009 but introduces changes



It allows members direct access to their retirement benefits savings for purposes of purchasing residential houses which could translate to reduced net replacement ratio at retirement

Retirement Benefits (Mortgage Loans) Amendment Regulations 2020

Section 39

- Each scheme shall prescribe in the **scheme rules** the procedure to be followed when a member wishes to utilise the facility.
- A residential house eligible under the facility shall only be a house that has been **certified for occupancy** by the relevant authorities.
- A member shall only be permitted to utilise the member's accrued benefits **once**
- A member who is paid a pension by the scheme, or who has **taken early retirement**, or has attained retirement age **shall not** be eligible to utilise the facility.
- Where a member and the member's spouse are both members of the same scheme or different schemes, the trustees shall prescribe in the scheme rules the manner in which the member and member's spouse may combine their accrued benefits for use under the facility

Retirement Benefits (Mortgage Loans) Amendment Regulations 2020

Section 39

- The funds applied towards the purchase of a residential house shall be drawn from the member's own contributions first together with earned investments income any balance shall be drawn from the Employer's portion with earned investments income
- The member **shall not** be allowed to utilize their accrued benefit to offset any balance on a **pre-existing** mortgage loan
- A member who purchases a residential house under these regulations **shall bear** the **transaction costs** and **taxes** relating to the purchase

Retirement Benefits (Mortgage Loans) Amendment Regulations 2020

Proportion of Benefits

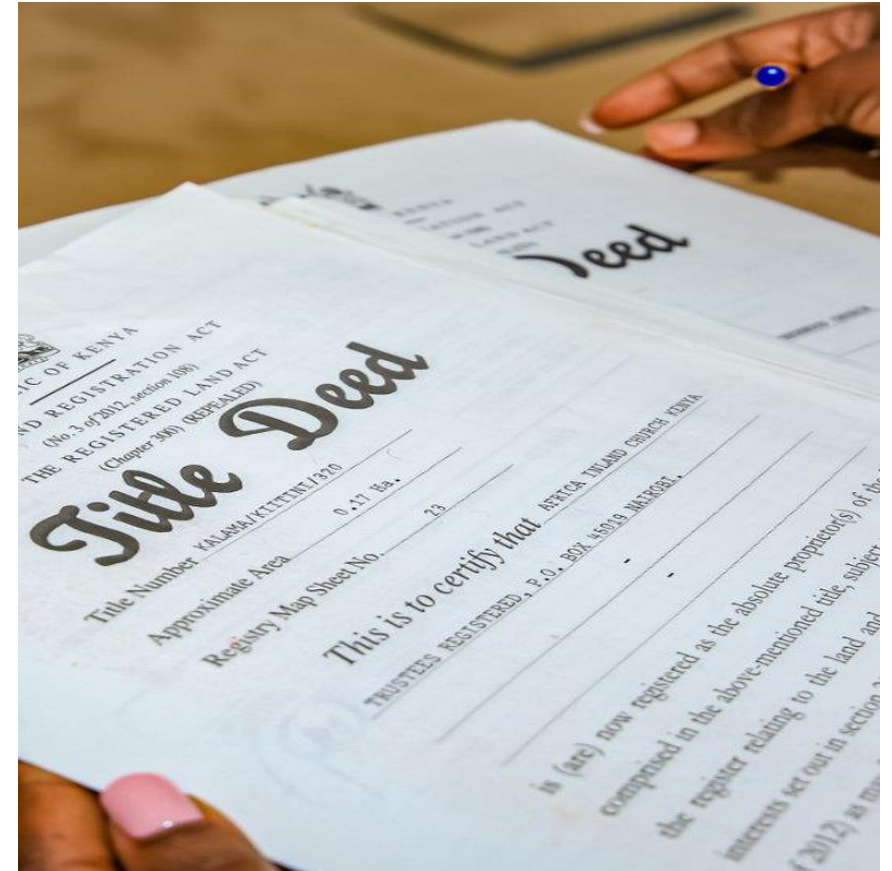
- Member is entitled to access the lower of:
 - 40% of their pensions savings; or
 - K Shs 7 million; or
 - Value of the residential house
- Accrued benefits to a member **shall exclude** additional voluntary contributions
- Accessible portion **shall not** exceed the **market value** of the house in question
- Amount available for purchase **shall be proportionate** to the remitted contributions

Retirement Benefits (Mortgage Loans) Amendment Regulations 2020

Section 39

The Trustees shall ensure/cause the title to the residential house to be encumbered to restrict transfer to any person until:

- The member **retires** from service or attains retirement age
- **Death** of the member
- The member retires on grounds of **invalidity**
- The member **emigrates** from Kenya without the intention of returning and an approval has been granted by the regulator



A blue stethoscope is positioned diagonally across the frame on a light blue background. A white circular callout with a thin blue border is located in the upper left quadrant, containing the text 'Post Retirement Medical Cover'.

**Post
Retirement
Medical
Cover**

Post Retirement Medical Regulations 2018

- Post retirement medical fund is a fund established within a scheme to which contributions are made whilst a member is in **active employment** and from which the costs of medical benefits can be met as shall be determined in accordance with medical fund rules
- Members that have not built up a sufficient fund can transfer a maximum of 10% from their retirement fund before commutation

Contributions into the Medical Fund

Contributions

Contributions into the fund shall be:

- A fixed percentage of the member's pensionable pay; or
- A shilling amount
- Contribution amount or rates may be based on a target level of post retirement medical benefits

Administration of the Medical Fund

- Each post retirement medical fund shall be administered and **managed** by trustees to the exclusive benefit of members and their beneficiaries
- Trustees may appoint new service providers for the fund or retain the existing service providers of the scheme
- Each post retirement medical fund shall be **segregated** from the funds of the scheme and invested in accordance with the investment policy statement of the scheme
- Members shall be entitled to an **annual benefit statement** disclosing contributions made to the post retirement medical fund and the investment income earned during the year

Access to Benefits in Medical Fund

- Member shall not be permitted to access the benefits **whilst he/she remains** in the employment of the Sponsor
- Member may subject to approval of the trustees be allowed to access the medical benefits on grounds **of ill health or if the member becomes incapacitated due to ill health**
- On exit from the Scheme before attaining retirement age the medical funds may be **transferred to another post retirement medical fund** selected by the member or deferred in the scheme until the member attains retirement age
- If the member is **emigrating** from the country the member may opt for the payment of the total amount of the accrued benefit
- Upon death of a member the benefits shall be paid to the beneficiaries in accordance with the medical fund rules

Application of the Benefits Held in Medical Fund

- **Procurement** of a medical cover
- **Offsetting** any **medical expenses** incurred as and when they fall due
- **Transfer** to a medical cover provider for the purposes of purchasing a medical cover or offsetting medical expenses as and when they fall due
- **Purchase** an **annuity** for the purpose of paying annual medical premiums

Implementation in the Scheme

Board of Trustees is reviewing the process of operationalising this facility in the Scheme

Once complete further information will be shared with the membership





Aspects of Retirement Planning

What to consider?

1. Financial Aspect

- a. Will the money I'm saving be enough? If not, consider AVCs.
- b. Will the investments I've made generate enough income and returns? – **Diversify** your portfolio.
- c. Have I catered for **inflation** adjustments?



2. Social Aspect

- a. **Where** do I retire to? Do I have a home?
- b. Do I have enough to keep me **occupied** in Retirement?
- c. Do I need to **reconnect** with my friends, relatives?

Engage in voluntary social engagements. Religion activities, local administration activities, school Boards and Board of companies etc.



3. Psychological Aspect

- a. Are you **afraid** to retire?
- b. How will I look like in **old age**? Will I be useless?
- c. I have **too much time** with my Spouse. What are we going to talk about?

Retirement is not a **death sentence** or **boredom path**. Plan to enjoy the free time you will have with your loved ones. Reconnect soonest with them.



4. Physical and Physiological Aspect

- a. Are **old age diseases** going to catch up with me?
- b. Am I able **to take care of myself** medically-financially?

Keep a physically active life in Retirement.



Conclusion

We can not avoid Retirement

Retirement is for everyone

Retirement is here to stay.

We MUST prepare for it.



Zamara Online Portal

zamara
Powering Prosperity

Knowledge Base Help & FAQs

Sign In Create Account

Welcome to
eZamara
Track your financial future today

Get Started

Healthcare Package
The below healthcare packages are included in your selected plan.

Details

- ✓ Hospital Charges
- ✓ Cancer Treatment
- ✓ COVID-19 Treatment
- ✓ Pre-Existing Conditions
- ✓ Emergency Dental
- ✓ Surgeries
- ✓ Emergency Ambulance
- ✓ Much More
Visit [this page](#) for a detailed benefit list.

Outpatient
Medical services outside the hospital with a \$1,000...

Income \$2,872
Expenses \$2,520
Gap \$352

Timeline
Explore the different stages of your retirement.

Retirement Shortfall

Tyler Erd
The Financial Advisor

We have a full picture of your finances, you've unlocked your timeline, which will show you how if you have enough for your retirement.

Select Plan

Better with Zamara

Bringing you a better way with eZamara

Introducing Zamara's new and secure digital access portal, your one stop shop for your retirement account. 24/7 access to your retirement account including statements, ability to model and track your financial future, learn and get access to our knowledge base, and so much more through the click of a button.

Features for Members:

- 24/7 access to your full retirement account including profile, statements, documents and beneficiary details.
- Ability to update information.
- Initiate and track benefits claims.
- Learn from and access Zamara's events calendar, announcements & knowledge base.
- Talk to us and send us queries or tickets.
- Model and track your financial future with our simple tools.

How to create an account

STEP 1 Log on to website
www.zamaragroup.com

STEP 2 Expand the online services tab

STEP 3 Click Zamara Online Portal sub-menu

STEP 4 Click on create an account

STEP 5 Register with your email address

STEP 6 Verify account with provided verification token

STEP 7 Create password and create account

Click to access

Zamara Online Portal Functionalities



Real Time access to your retirement account – contribution records and statements



Useful tools e.g. projection tools, trustee elections, scheme documentation



Update your personal details and beneficiaries

Any Questions





THANK YOU

Actuaries | Administrators | Consultants | Insurance Brokers

www.zamaragroup.com

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