



Retirement Benefits Authority

Safeguarding your retirement benefits

MEMBER SURVEY

JUNE 2009

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1. INTRODUCTION

As the RBA continues to pursue its mandate of safeguarding and developing the RB sector, members remain its primary concern. It is therefore necessary to keep abreast of their needs as members, and their expectations of the Authority as the Industry's regulator. In this regard it has undertaken to conduct regular surveys that reach out to members.

Following the RBA Member survey 2005, the Authority was able to establish member's needs and knowledge of their rights. Members form the most important group of stakeholders and it is vital that the industry inquire from them their needs and expectations. With an approximate coverage of 15% it is necessary to find out how best the coverage can be increased while ensuring more Kenyans understand the importance of saving for a better future.

This year, the RBA Members Survey 2009 was aimed at establishing members' expectations with regard to their retirement benefits, among other objectives and the findings will be used to draw up policy recommendations.

1.1. OBJECTIVES OF THE MEMBER SURVEY 2009

The survey was conducted to address key objectives that would enable the industry know the contributor members views and opinions. The main objective of the survey is to establish members' expectations with regard to retirement benefits.

The other objectives of the survey are:

- i. To identify members' information needs with regard to the retirement benefits sector in general;
- ii. To assess their satisfaction with the current management of the scheme
- iii. To assess their appreciation of RBA's current education and media campaigns;
- iv. And to use the findings to make policy recommendations.

1.2. DATA COMPILATION

2. The population of schemes, both registered and unregistered, was established from the Authority's database.
2. All the schemes were contacted either directly or indirectly through their administrators and requested to provide lists of all their members including the name, age, gender and physical location of each member.
3. From the returns from the schemes a population of approximately **155,411** members from **204** schemes was identified and entered into a Microsoft Access database.
4. A stratified random sample of **606 members** was selected from the population. The sample was stratified to ensure that all schemes represented in the population were also represented in the sample.
5. Human Resource departments of the companies from which the sample had been drawn were contacted and advised on the names of members who had been sampled and requested to facilitate access to the members.
6. Trained research enumerators were sent to the sampled members to deliver the research questionnaire directly to the member and to collect the completed questionnaire after a predetermined period of time.
7. By the cut-off date, **478** questionnaires had been received by the Authority. **Six** questionnaires were added from the original sample. Hence, they were removed from the sample leaving **472** questionnaires for analysis.
8. The completed questionnaires were coded and entered into a Microsoft Access 2002 database for analysis.

1.3. SURVEY LIMITATIONS

The following were identified as potential source of bias in the population and sample:

1. Poor record keeping in terms of updated member list by administrators lead to only 204 schemes represented in the sample. Other schemes had poor response in providing the member lists of the current individuals as members.
2. The sample may be biased towards better administered schemes as those declining or unable to participate may systemically be less well administered schemes.
3. Communication difficulties may have prevented members in very remote areas from receiving and/or returning the questionnaire hence biasing the sample towards Nairobi and other major urban towns.

2.0. STUDY FINDINGS

2.1. SECTION A: SAMPLE DATA

1. Overall

Sample Size: 472

2. Sex

Sex	Frequency	Percentage (%)
Male	306	65
Female	166	35
Totals	472	100

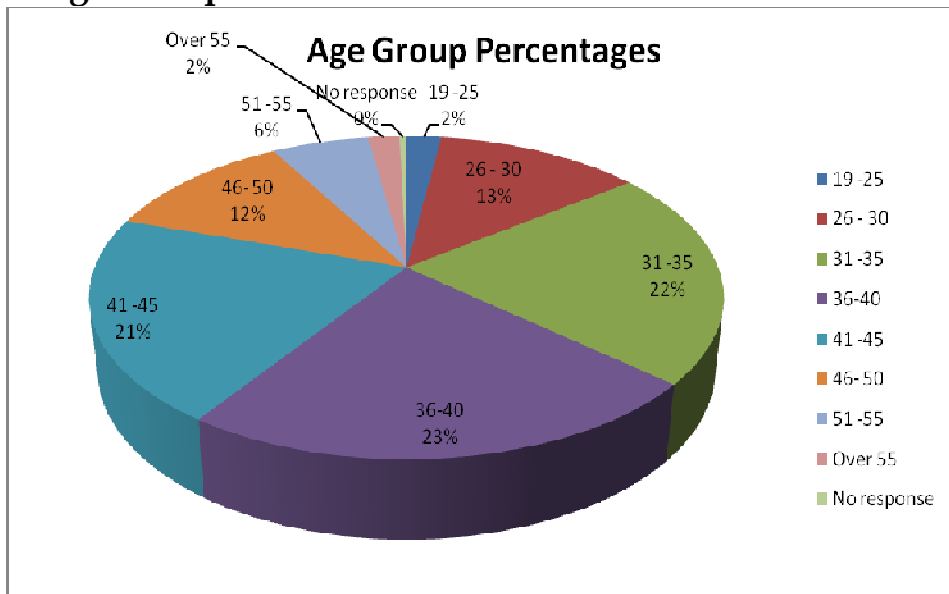
65% of the respondents were male, making them the majority of the members

3. Marital Status

Status	Frequency	Percentage (%)
Married	367	78
Single	76	17
Widowed	12	3
Divorced/Separated	10	2
Totals	465	100

7 respondents did not indicate their status. However, majority of the respondents were in relationships with 78% of the respondents married.

4. Age Groups



The youth form the majority of the respondents, that is those between the age of 19- 35 years are 47% of the total population interviewed.12% of the respondents were getting close to retirement with only 8% of the members above the age of 50 years.

5. Location

Town	Frequency	Percentage (%)
Nairobi	252	53
Mombasa	29	6
Nakuru	19	4
Eldoret	15	3
Meru	9	2
Kericho,Nyeri	8	3
Kisumu, Kakamega	7	3
Kisii,Ruiru,Thika,Machakos	6	5
Nyahururu	5	1
Sotik,Njoro,Karatina, Kerugoya,Bungoma,Limuru	4	5
Maua, Kitui	3	1
Others (33 towns)	46	10
No response	13	4
Totals	472	100

The table represents some other rows that have more than two or three towns represented if the same number of individuals were interviewed. Nairobi has the largest number of responses at 53% of the total number of respondents. This is due to the quick response rates and better administration of the schemes in Nairobi.

Other towns with a better representation were Mombasa, Nakuru & Eldoret with a 6%, 4%, 3% representation respectively. A good representation of all the 8 provinces in Kenya was taken into consideration.

6. Gross Monthly Salary

Salary Range In Ksh.	Frequency	Percentage Salary	Salary Range In Ksh.	Frequency	Percentage Salary
< 10,000	14	3	151,000 - 200,000	15	3
11,000 - 25,000	120	25	201,000 - 250,000	14	3
26,000 - 50,000	137	29	251,000 - 300,000	7	2
51,000 - 75,000	66	14	301,000 - 500,000	8	2
76,000 - 100,000	48	10	Over 500,000		
101,000 - 150,000	38	8	No response	5	1

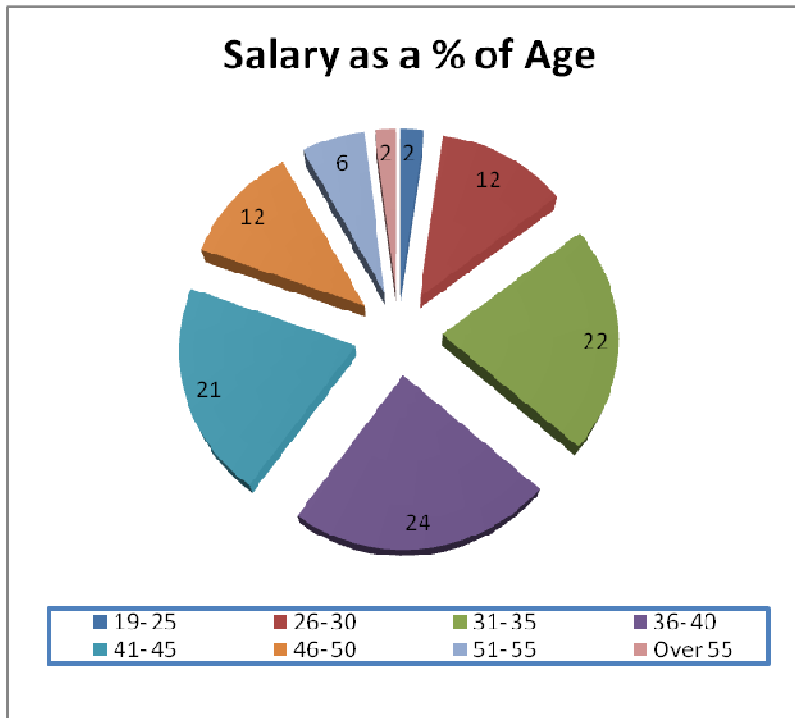
The majority, 57% of the respondents earn less than Kshs. 50,000. The number of respondents earning less than Kshs. 50,000 has increased by 5% from the last survey carried out. 11% of the respondents were earning more than Kshs. 150,000 in salaries. The number of respondents earning between Kshs. 50,000- Kshs. 150,000 has remained the same compared with the survey done in 2005. The increase in the number of people earning less than Ksh.50,000 is of great concern since it may reduce the disposable income and hence reduce the level of individual savings.

6.1 Salary Distribution of Different Age groups in Percentages (%)

Range/ Age	19- 25	26- 30	31- 35	36- 40	41- 45	46- 50	51- 55	Over 55
< 10,000		3	4	5		4		
11,000 - 25,000	40	26	34	29	20	20	7	11
26,000 - 50,000	20	33	28	28	27	28	50	22
51,000 - 75,000	30	10	16	14	17	9	10	22
76,000 - 100,000		14	10	11	10	13	4	
101,000 - 150,000		5	4	7	11	15	7	22
151,000 - 200,000		7	1	1	6	2	7	11
201,000 - 250,000	10	2		2	4	5	7	11
251,000- 300,000			1	2	3		4	
301,000- 500,000			2	1	2	4	4	

In the salary distribution the majority of individuals who responded were between the age of 36- 40 years. The group that least responded were individuals that were over the age of 55.

90% of individuals between the ages of 19-25 earn less than Ksh.75, 000. The trend is similar in other age groups with a larger representation earning less than Kshs.75, 000. For example majority of individuals between the ages of 31-35 earn less than Kshs. 75,000 in salaries. Only 8% of the individuals were earning the amount of money between Kshs. 301,000- 500,000. A larger percentage of these individuals were between the age group of 46-55 years of age.



There were fewer individuals between the ages of 19-25 and those over 55 years that were earning any form of salary that was presented.

A contributing factor is that the youth do not have access to formal employment opportunities earlier in their life.

7. Terms of Employment of the Respondents

Terms of employment	Frequency	Percentage (%)
Permanent	435	92
Contract	32	7
Self Employed	1	0
No response	4	1
Totals	472	100

Majority of the respondents are in permanent employment. The survey was addressing individuals who were in occupational schemes and consequently contributing to the fund thus members of an existing occupational scheme. However there were 7% of the individuals who were in contractual basis of employment.

Those in contracts had more than two years in their contracts. Also there was a single individual on self employment who was a farmer and a dormant member in his scheme.

7.1. Contract Period for Temporary Workers

Number of years In Contract	Frequency	Percentage (%)
1 year	6	15
2 years	11	28
3 years	15	39
4 years	5	13
5 years	2	5
Totals	39	100

There were 39 individuals who were in contractual employment. Majority of the individuals at 39% were in a contract for 3 years

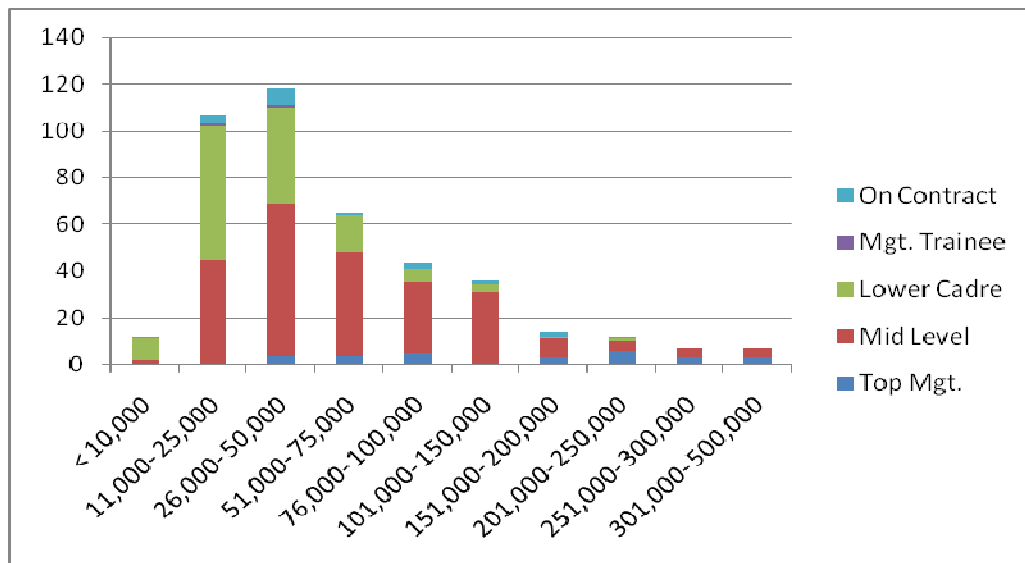
8. Employment Position

Position	Overall Frequency	Overall %	Frequency Men	Male %	Frequency Female	Female %
Top Management	28	6	21	75	7	25
Middle Management	241	54	151	63	90	37
Lower Cadre	135	30	91	67	44	33
Management Trainee	2	1	1	50	1	50
Staff on Contract	21	5	13	62	8	38
Other	20	4	11	55	9	45
Totals	447	100	288		159	

Majority of scheme members are middle-level management and lower cadre management staff at 54% and 30% respectively. Men are more represented in all employment positions with a larger disparity in the top management whereas the men make a 75% representation compared to the 25% in women.

6% of the members did not indicate which employment positions they were working in.

8.1 Employment Position by Salary Range



Middle level management have a larger representation in all salary ranges with a 56% representation and many earning between Ksh.26,000- Ksh.50,000.

The least paid are lower cadre staff with 80% of the lower staff members earning less than Kshs. 50,000. The highly paid are top management with a majority at 43% earning more than Kshs. 200,000.

9. Number of Years of Membership in Schemes

Number of years	Frequenc y	Percentage (%)
Less than 1 year	14	3
1 - 2 years	64	13
3 - 5 years	116	25
6 - 10 years	108	23
11 - 20 years	112	24
21 - 25 years	14	3
26 - 30 years	13	3
Over 30 years	3	1
No response	28	5
Totals	472	100

The sample is a good representation of the members with more than 80% of the respondents been in the schemes for three or more years. Those members exceeding 30

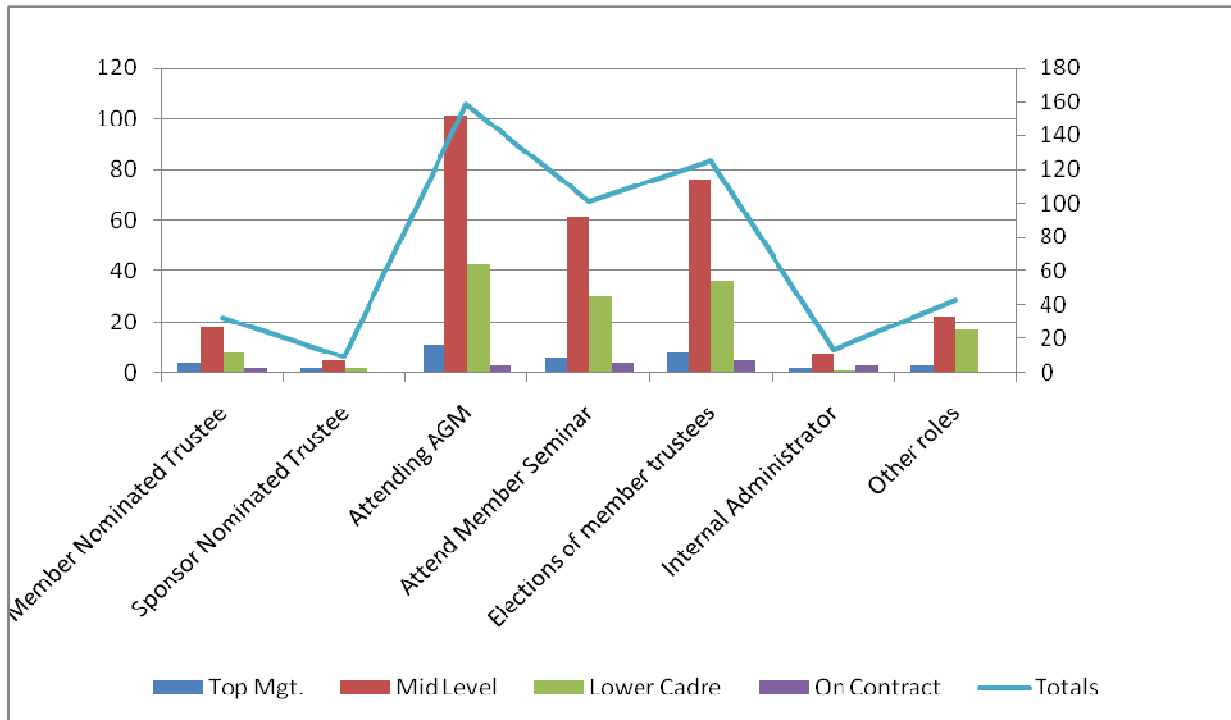
years in membership are the least represented respondents at 1% of the total respondents. Middle level management play more roles and functions in the schemes.

10. Role Played in Schemes by Employment Position

The role played by most scheme members is that of attending annual general meetings, member seminars and electing the trustees of the scheme. Apart from the management trainees other individuals in the different employment positions took part in running the schemes.

In the management of the schemes, most middle level managers take charge with a 62% representation of all members in the different employment positions. They normally serve as member or sponsor nominated trustees and internal administrators.

Although there is a good representation of members in the running of the schemes, the attendance of annual general meetings and seminars is the lowest especially by top management members. For instance only 37% of individuals attended scheme AGM's and 21% of the members attended a member education seminar.

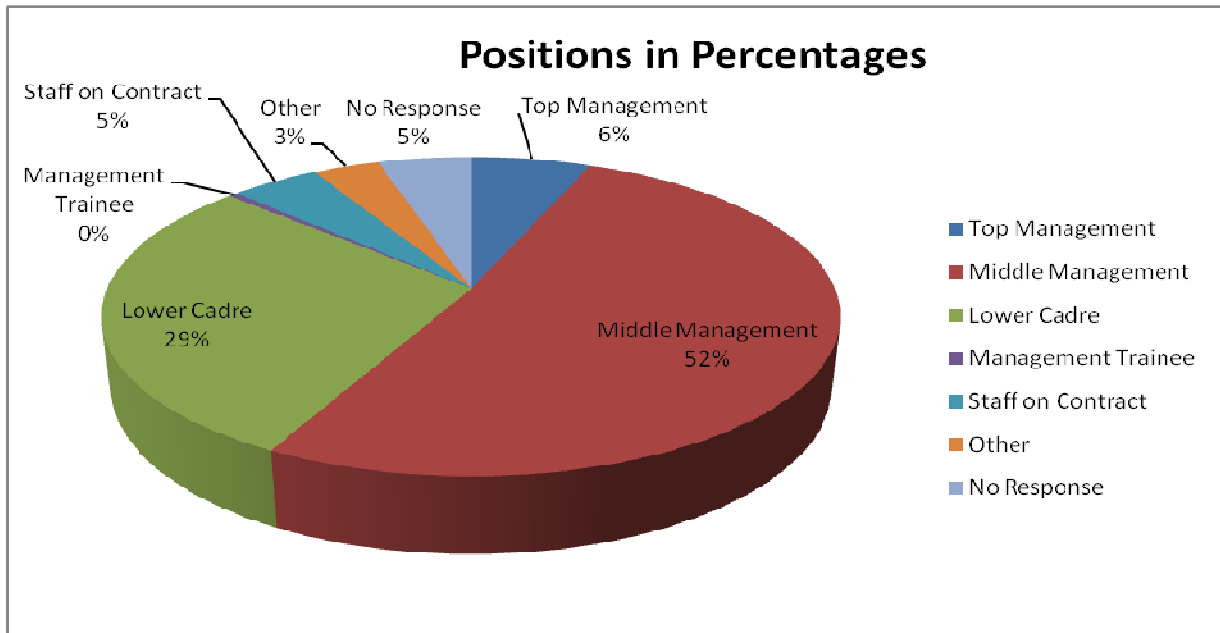


11. Members that have taken time to think of life in Retirement

	Total No.	Overall (%)	Male No.	Male (%)	Female No.	Female (%)
Yes	438	93	285	65	153	35
No	34	7	22	64	12	36
Totals	472	100	307		165	

The number of individuals who have thought of retirement has increased throughout the years. Those who thought of retirement from the last survey were 90% compared to 93% in this survey. Main reason for the growth is the awareness and educational campaigns taken by both the employers and RBA.

11.1 Those who Thought About Retirement - by Employment Position



52% of those thinking of retirement occupied middle management positions in their organizations. The thought of retirement age could be as a result that most of the individuals in middle management also play more pivotal role in the administration of the schemes and other roles in the scheme.

12. Members Desired Retirement Age.

Age one desires to Retire	Frequency	Percentage (%)
30- 35	2	0
36- 40	6	1
41- 45	24	5
46- 50	102	22
51- 55	201	43
56- 60	90	19
61-65	18	4
70- 75	9	2
Not Certain	7	1
No Response	13	3
Totals	472	100

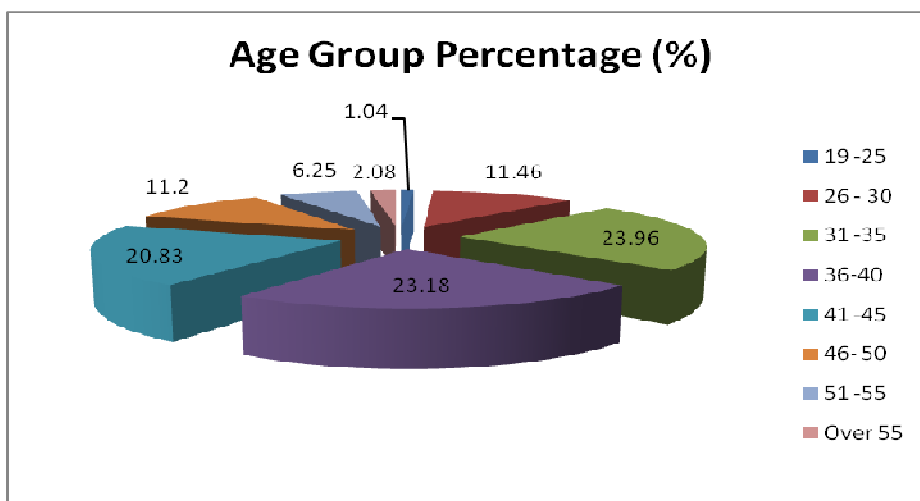
Irrespective of the current employment position members have thought about their life in retirement with a majority wishing to retire between their 50th and 55th birthday at 43%.

72% of all the respondents would like to retire after their 50th birthday. With a projected life expectancy of 55.7 in males and 61 in females there is optimism for individuals to expect for a longer life and hence think of how best to sustain their lives in retirement.

13. Do Members Know Scheme Retirement Age?

Response	Frequency	Percentage (%)
Yes	384	81
No	38	8
I do not know	40	8
No response	10	3
Totals	472	100

The number of individuals who are not aware of the retirement age of their scheme has considerably reduced to 16% from 20% of the number who were not aware of the retirement age in the last survey. The members who were below the age of 25 were less aware of the retirement age of their scheme at 1.04 % while those between the age bracket of 30 to 40 years were well aware of the retirement age at 47% of the total population interviewed as the chart below shows.



14. The respondents who have other forms of savings other than Retirement Benefits Savings

Response	Frequency	Percentage %
Yes	351	74
No	121	26
Totals	472	100

74% of the respondents had other savings apart from retirement benefits savings. The majority of individuals have two other forms of savings, that is, personal savings and Co-operatives or Sacco contributions. These are considered the safest forms of savings where there are less risks involved.

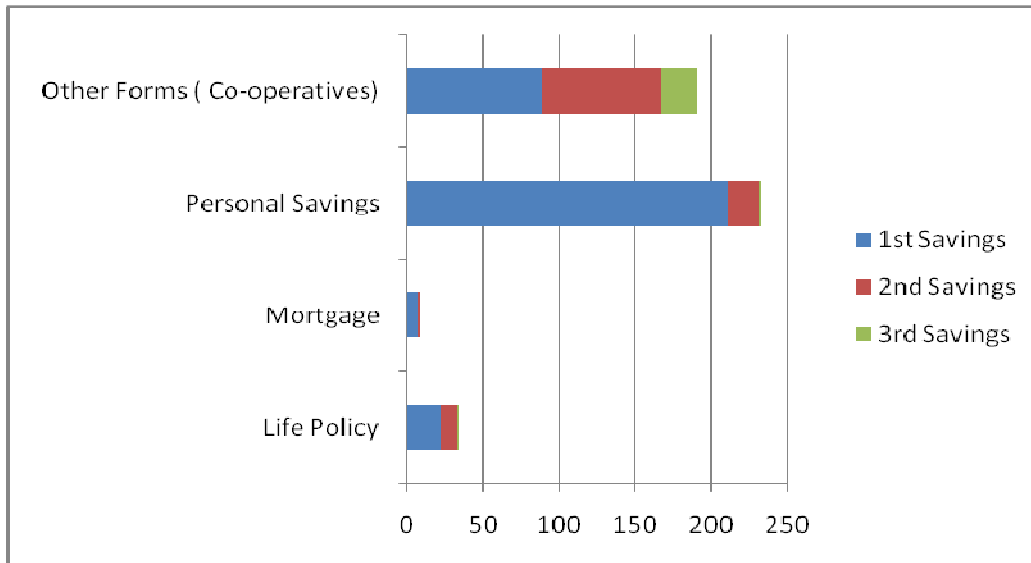
14.1 Age Group that has other savings

Age Group	Frequency	Percentage (%)
19 -25	10	3
26 - 30	44	12
31 -35	80	23
36-40	85	24
41 -45	66	19
46- 50	39	11
51 -55	24	7
Over 55	3	1
Totals	351	100

As revealed most members do not consider contributing for retirement as a form of saving since one does not have full access to the amount saved.

Majority with other forms of savings are between the ages of 31-40 at 47%. Older members, over 55 years, are less likely to have other forms of savings.

14.2. Other forms of Savings



The most common alternative mode of saving is through personal savings at 45% of the individuals saving and 28% of all other savings whether it is the first, second or the third time.

15. Members opinions on whether they agree, disagree, or neither with the below statements

Response	I am confident that I am doing enough now to financially prepare for retirement (%)	I am confident that I will be able to maintain my current standard of living in retirement (%)	One of the reasons why I continue to work is so that I can benefit from the company scheme (%)	Existence of Retirement benefits schemes strongly influences my decision to join a Company (%)
Agree	55	60	61	58
Disagree	42	35	35	37
Neither	0	2	2	2
No Response	3	3	2	3

Members are confident that they are doing enough to prepare for retirement or maintain their current standards of living after retirement at 55% and 60% respectively. Some members said that the inclusion of the preservation rule helped in ensuring members had more money accumulated for retirement and hence maintained a good standard of living after retirement.

61% of members continue to work in organizations that offer them retirement benefits with those between the ages of 36 to 40 being the majority at 25%.As shown in the

below diagram, as the age groups increase, so does the influence in decision making till one nears the age of retirement at 45 years.

62% of members are confident that the pension schemes are well managed and financially secure.

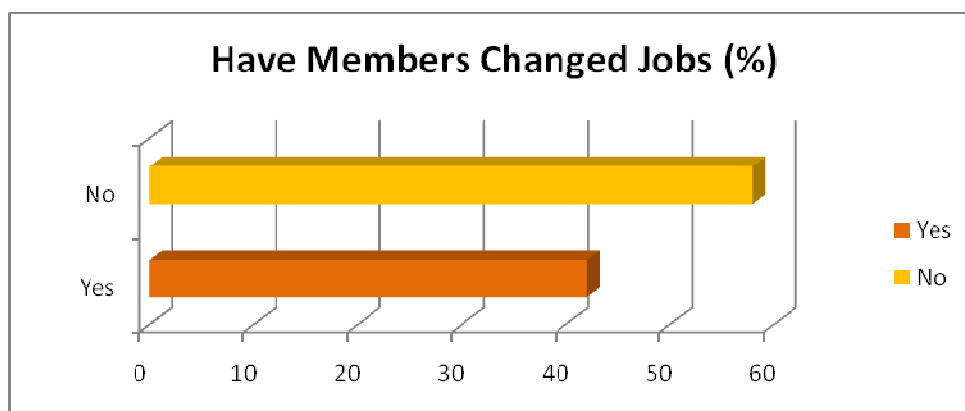
16. Influence on the Members Decision to Join a Company with the Existence of Retirement Benefits Schemes

Age Group	Frequency	Percentage (%)
19-25	7	3
26- 30	39	14
31- 35	60	22
36- 40	67	25
41- 45	51	19
46- 50	27	10
51- 55	15	5
Over 55	5	2
No Response	1	0
Totals	272	100

Those members who are both young and old in a scheme are not strongly influenced to remain in a scheme because of the retirement benefits. Those between the ages of 36- 40 are strongly influenced to join an organization that has a retirement scheme at 25% with those in the ages between 19-25 and over 55 been the least at 3% and 2% respectively.

2.2. SECTION B: ACCESS TO BENEFITS

17. Have members changed jobs during their working life?



17.1. Number of Times Changed Jobs (for those you have changed)

No of Times changed jobs	Frequency	Percentage (%)
Once	196	56
Twice	78	22
Thrice	40	11
Four Times	34	10
Five Times	5	1
Totals	353	100

42% of members had changed jobs with 56% of members having changed jobs at least once. There was no clear pattern in the type of job changes although majority of the changes were from private to private sector change in jobs at 28%.

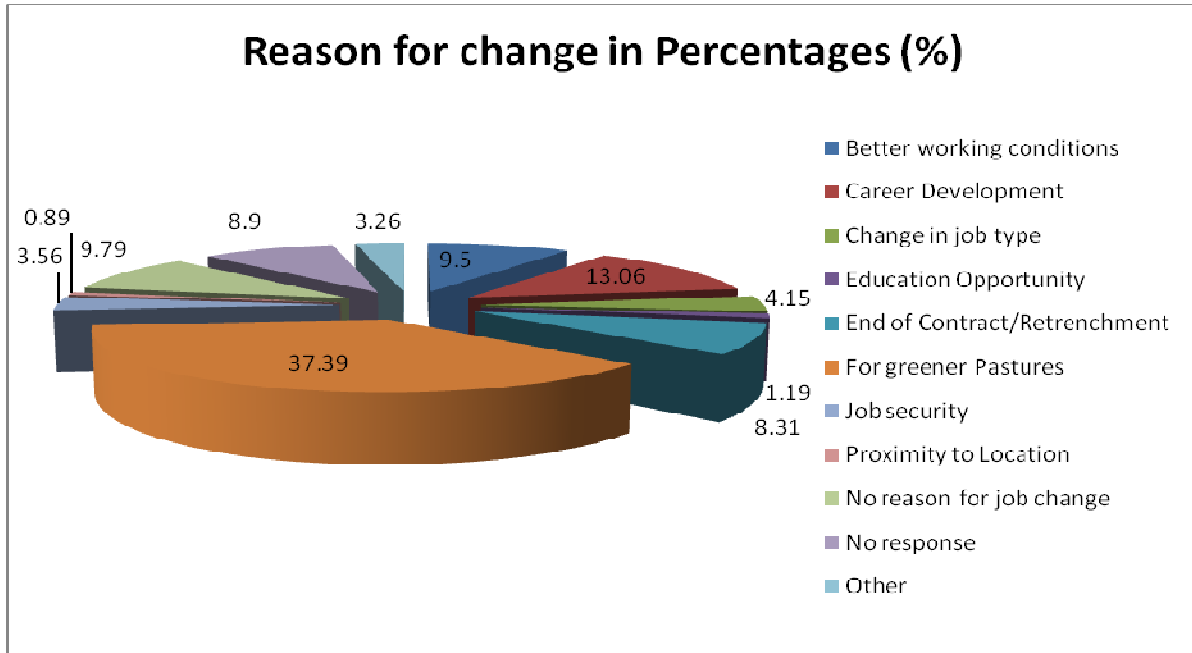
This shows that there are very few turnovers in the formal sector with most employees preferring to stay in an organization for more than three years.

17.2. Type of Job Change (first change for those who have changed)

Type of change	Frequency	Percentage (%)
Public sector to Public sector	24	12
Public sector to Private sector	20	10
Private sector to Public sector	9	5
Private sector to Private sector	55	28
Private sector to NGO	4	2
Public sector to NGO	2	1
NGO to NGO	3	2
NGO to Private sector	2	1

NGO to Public sector	2	1
No response	75	38
Totals	196	100

17.3. Reason for Job Change (percent of responses all job changes for those who have changed jobs)



There were 42% of individuals who changed jobs. Majority at 37% changed jobs since they were looking for greener pastures. Another major reason why individuals changed their jobs was to be able to advance their careers and to work in better conditions.

18. Did Member Access Benefits on Changing Jobs

Response	Frequency	Percentage (%)
Yes	53	27
No	143	73
Totals	196	100

73% of the individuals who changed their jobs did not access their benefits.

18.1. Portion Accessed (those who changed jobs and accessed benefits)

Portion of Benefit Accessed	Frequency	Percentage (%)
Both Employer and Employee	26	34

Employee portion only	15	19
Employer portion only	6	8
No response	12	16
Others	18	23
Totals	77	100

Out of the 53 members who had received benefits only 47, 89% answered this question. 34% of individuals drew their benefits from both the employer and employee contributions. 8% of individuals received benefits from their employers. These may be in the form of gratuities from non-contributory retirement benefits schemes.

19. Amount Accessed in Last Job Change (those who changed jobs and accessed benefits)

Amount Accessed in	Frequency	Percentage (%)	Modal Number of Years of Saving
Less than KShs 50,000.00	7	13	3
KShs 50,000.00 - 100,000.00	14	26	2
KShs 100,001.00 - 250,000.00	16	30	5
KShs 251,001.00 - 500,000.00	10	19	6
KShs 500,001.00 - 1,000,000.00	3	6	7
Over Kshs 1,000,000.00	3	6	10
Totals	53	100	

There is a direct relation to the number of years one saves and the amount that they do receive as their benefits. Majority of individuals received between Kshs.100,000 to Kshs.250,000 with only 12% of the respondents having benefits that were more than Kshs.500,000. 5 ½ years was the average amount of time that respondents were saving for retirement.

20. Reasons why those who changed jobs did not access their benefits

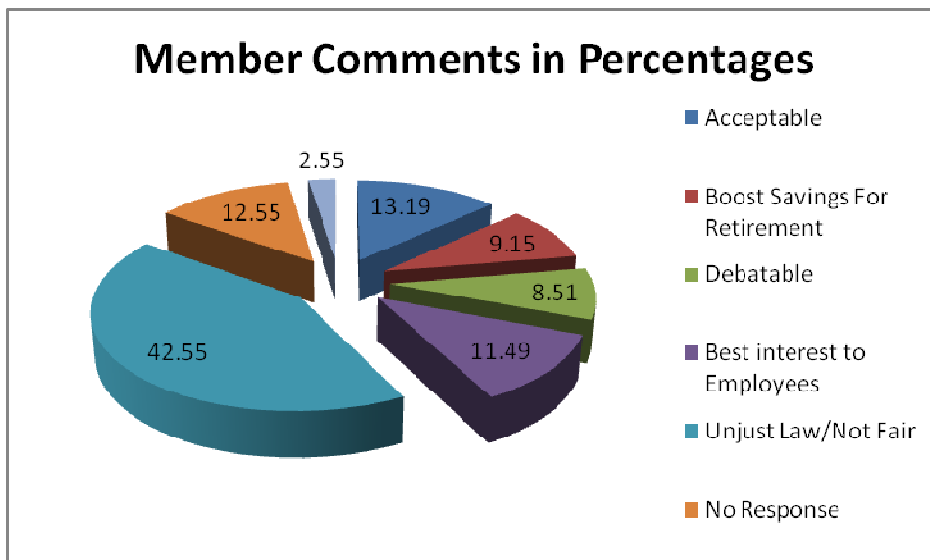
Reasons given	Frequency	Percentage (%)
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Not Joined any scheme	15	9
Lack of Knowledge/ Lack of information from employer	23	14
No scheme Exited	37	23
Left before attaining the vesting period	12	7
Not Pensionable	9	6
On Contract/ Casual Basis	13	8
Other	32	20
Rules of the Scheme did not allow i.e. NSSF	8	6
No response	12	7
Totals	149	100

Additional responses were on the basis that individuals were given an option to give more than one opinion in answering the query. 23% of the respondents who did not receive their benefits were not members in their previous schemes.

Concerning to note is that 14% of the members did not access their benefits due to lack of knowledge. Either due to ignorance or lack of information from their sponsors they did not know on whether they had any benefits to be collected or indeed the process of collection.

21. Member Comment on New Rule on Access to Benefits



The rule requiring preservation of benefits arising from employer contribution until retirement age continued to generate a great deal of controversy and debate. 43% of the

members thought that the preservation rule was unjust and unfair to many. Some of the similar comments were that the rule should have been reviewed to cater for early investments in case of job losses and the retirement age reduced.

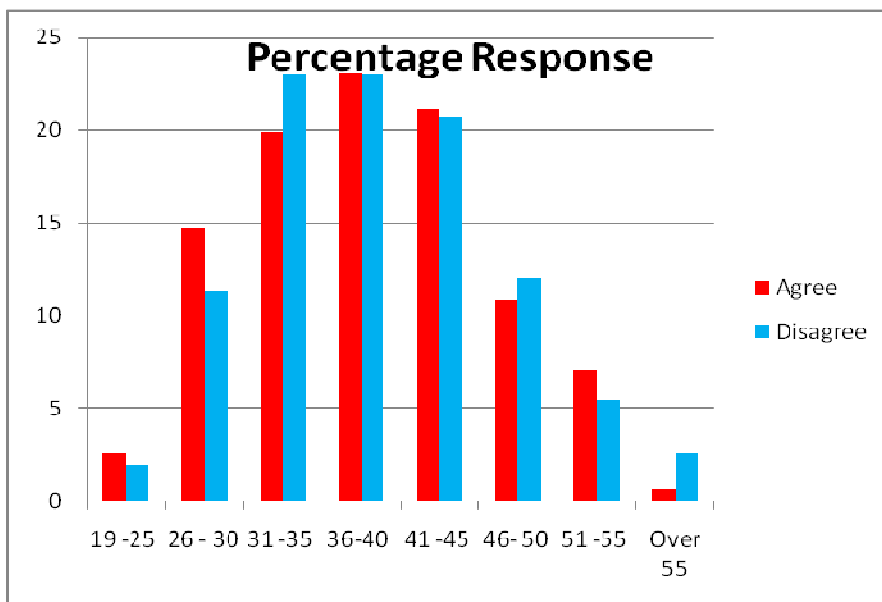
However, 32% of individuals had positive remarks to make such as the law would help boost savings for individuals for retirement, would ensure many avoid financial mismanagement and it would help in alleviating old age poverty in the long-run.

It was necessary to find out the persons dissatisfied with the rule in terms of age and employment position.

21.1. Members Happy and Not Happy With New Rule on Access to Benefits by Age Group

According to the age groups those between the ages of 26- 30 have a greater disparity in terms of who agree and do not agree at 3% with those agreeing at 14% and those disagreeing at 11%.

The age group however that is more pronounced in their views is in the category of 36-40 years of age. More likely it is as a result of been a scheme member for long thus they are more informed on the scheme matters and retirement sector in general.



21.2. Members Happy and NOT happy with New Rule on Access to Benefits by Employment Position

Position	Frequency agree	% Agree with the Rule	Frequency Disagree	% Disagree with the Rule
Top Management	11	7	10	5
Middle Management	88	59	107	54
Lower Cadre Management	39	26	58	30
Trainee	1	1	1	1
Staff on Contract	8	5	9	5
Other	3	2	10	5
Totals	150	100	195	100

127 individuals from the different employment positions did not either respond to the question or did not have strong convictions on the question. No matter the employment position 57% of the individuals disagreed with the new rule. Middle management employees were most aggrieved with 54% of its members disagreeing with the preservation rule.

2.3. SECTION C: KNOWLEDGE AND UNDERSTANDING OF OWN RETIREMENT BENEFITS SCHEME

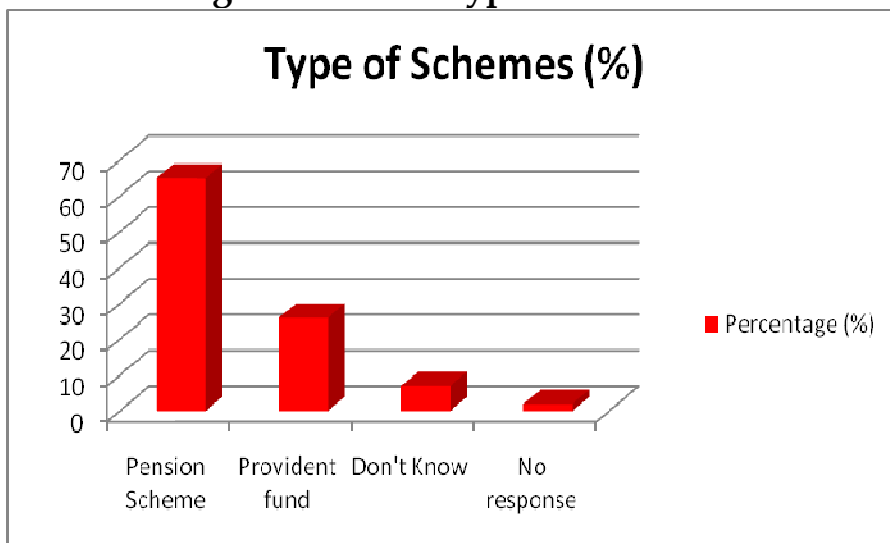
22: Knowledge of Scheme Category

Stated category of scheme	Frequency	Percentage (%)
Occupational Scheme	302	64
Individual Retirement Benefits Scheme	81	17
Don't Know	7r	15
No response	17	4
Totals	472	100

15% of members have no idea as to whether their scheme is an occupational scheme or an individual benefits scheme. There are more occupational schemes than individual schemes with a ratio of 3:1 that is for every member of an individual scheme there are 3 members in occupational schemes.

Although the observation shows that there are 15% respondents who are not aware of scheme category, it is a major reduction of more than 20% from the last survey carried out in 2005/2006.

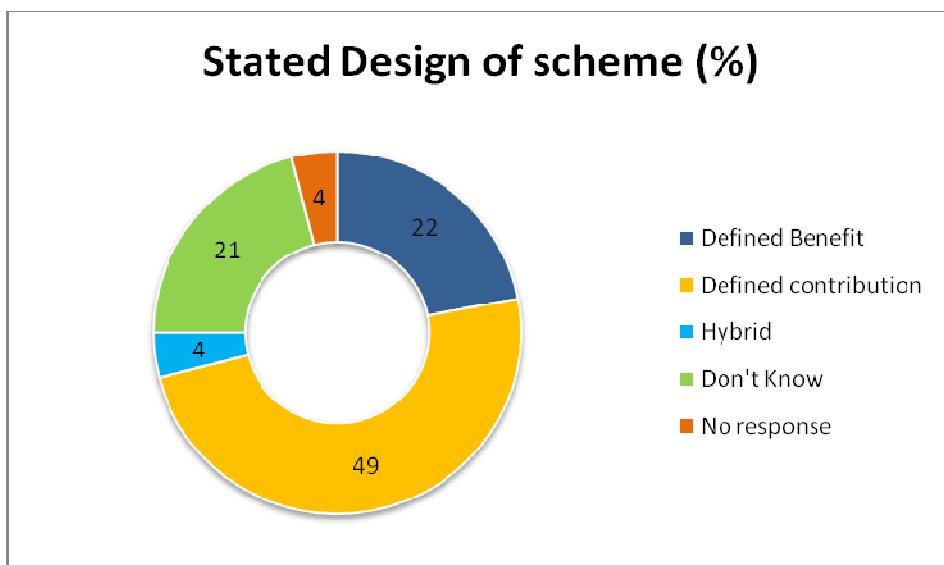
23: Knowledge of Scheme Type



7% do not know whether their schemes are pensions or provident funds and less than 1% did not respond to the question. 62% of individuals were in pension schemes while 21% of the individuals were in provident funds.

Compared to the last survey conducted, the percentages of pension funds reduced by 8% while the percentage of provident funds increased by 3%.

24: Knowledge of Scheme Design



21% of the respondents did not know the design of their scheme. 49% of individuals are in defined contribution schemes. These make up the majority of the scheme designs. The number of respondents in defined contribution schemes has increased by 16% from the last survey conducted.

Also the percentage of individuals in defined benefits schemes increased by 5% to 22% this year. An increase in both scheme types results to an increase in the schemes in general.

25: Knowledge of Scheme Affairs

Knowledge	Percent saying Yes	Source of Knowledge	Percentage %
Know your monthly	89	Employment letter	24

Contribution to your scheme		Pay Slip	61
		Benefit Statements	6
		Trust Deed & Rules	1
		Friends	0
		Trustees / (Administrators	5
		AGM	2
		Others	1
Know your employer's monthly contribution to your Scheme	84	Employment letter	26
		Pay Slip	40
		Benefit Statements	20
		Trust Deed & Rules	2
		Friends	1
		Trustees / Administrators	6
		AGM	3
Others	2		
Know how much savings you have accumulated in retirement benefits Scheme	72	Employment letter	25
		Pay Slip	40
		Benefit Statements	24
		Trust Deed & Rules	3
		Friends	0
		Trustees / Administrators	6
		AGM	1
		Others	1
Know who the Trustees of your scheme are and what is the number of Trustees	63	Employment letter	3
		Pay Slip	24
		Benefit Statements	63
		Trust Deed & Rules	2
		Friends	0
		Trustees / Administrators	7
		AGM	1
		Others	0
Know if your scheme is registered by RBA	68	Employment letter	9
		Pay Slip	5
		Benefit Statements	8
		Trust Deed & Rules	9
		Friends	3
		Trustees / Administrators	26
		AGM	35
		Others	5

The knowledge about monthly contributions by employer or own contributions is obtained through the pay slips and employment letters with the information on registration of the schemes mainly generated from the trustees and administrators of the scheme and annual general meetings. Members are well informed on their savings and accumulated benefits with 89% knowing their monthly contribution and 72% aware of the accumulated retirement benefits.

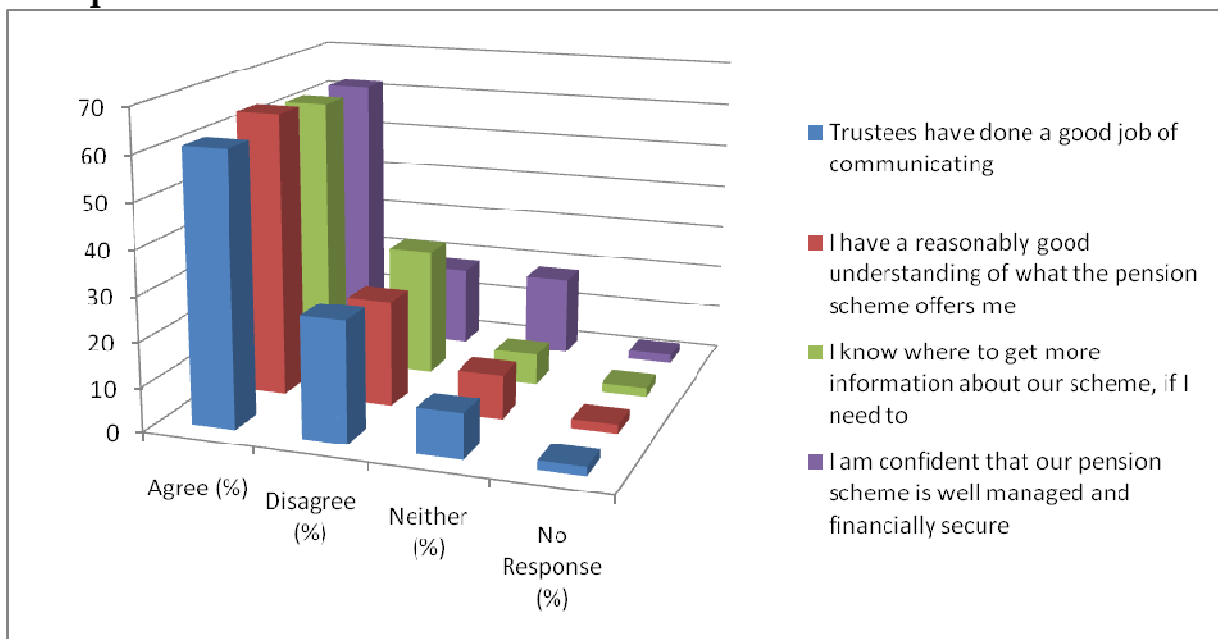
84% of members claimed that they were aware that the employer was making monthly contributions towards the fund. The members had a good communication between them and the trustees of the scheme although only 63% of them knew the trustees of the scheme.

26. Does Respondent Receive Benefits Statement

Received benefit Statements	Frequency	Percentage who Received (Yes) %
2001	175	37
2002	187	40
2003	194	41
2004	355	75

The level of awareness has increased as the year's progress.

27. Opinion on the Scheme



Most members responded positively to opinions about their schemes. 61% of respondents think that their trustees are doing a good job in communicating information on the schemes and matters relating to pensions.

More than 61% of individuals have a reasonable understanding on what the pension scheme offers them with 58% of respondents knowing where to get information in case they needed it. Important to note is that only 62% were confident that their schemes were well managed and financially secure.

2.4. SECTION D: AWARENESS OF MEMBER RIGHTS

28. Awareness and Ranking of Rights

Member Rights	% Aware of Right	%Very Important (1)
Right to Membership statements	83	79
Right to nominate trustees	73	63
Vesting of Employer contribution	71	60
Right to membership as employee	82	62
Right to participate in the AGM	75	45
Right to inspect the books of accounts of the scheme	61	44
Right to inquire about the books of Accounts	62	44
Right to access scheme information through the RBA	62	48
Right to complain about your benefits or report your scheme trustees to RBA	67	57
Right not to have your benefits held by trustees for any debt you may owe the employer or SACCO	62	62
Right to nominate beneficiaries	83	71

The rights to membership statements and to nominate beneficiaries were the rights well known to members at 83%. In terms of what right was most important to members, the right to membership statement was considered most important at 79%.

The right to inspect the books of accounts of schemes was least known by members at 61%. On levels of importance the right to inspect books of accounts and to inquire about books of accounts were least important at 44%. This shows that many members do not take time to look at the management of the funds in the scheme.

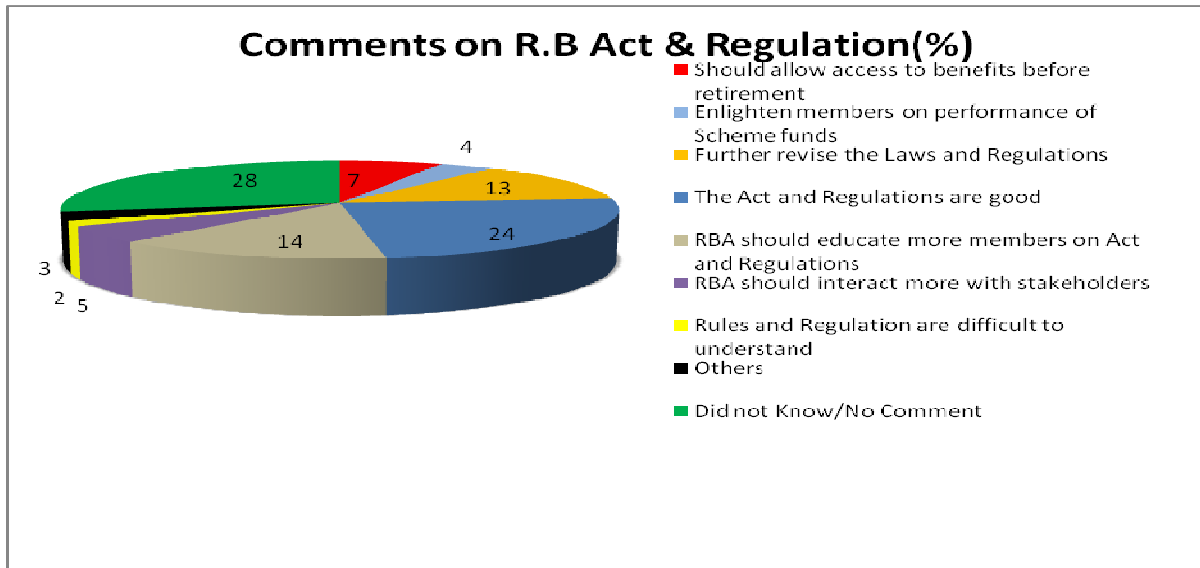
28.1. Awareness of Right to Membership Statements by Age group

Age Group	Percentage Aware of Right	%Very Important (1)
19 -25	2	78
26 - 30	11	76
31 -35	23	88
36-40	25	92
41 -45	21	83
46- 50	12	83
51 -55	6	83
Over 55	1	60

There are no clear apparent differences in levels of awareness on membership statements across employment position though those individuals in the age groups of 36- 40 were very passionate on receiving the membership statements with 92% adamant that it was very important.

2.5. SECTION E: OPINION AND VIEWS ON RETIREMENT BENEFITS INDUSTRY

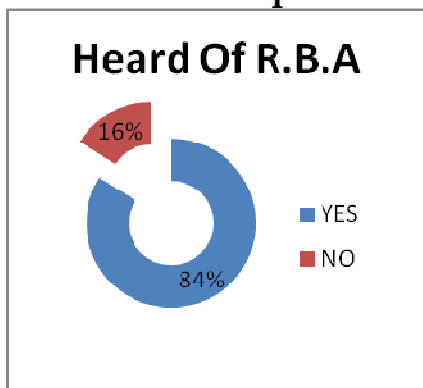
29. General Comment on Retirement Benefits Act and Regulations



15 respondents did not answer the question. Majority of respondents thought that the Act and regulation were good to the Industry. They echoed the establishment of R.B.A and the enforcement of rules and regulations that has thus far spurred and regulated the Industry.

Revision of the laws and regulation and more education to the members on the same were other remarks that were highly mentioned at 13% and 14% respectively. Only a small percentage of 2% claimed not to understand the rules and regulations.

30. Had Respondent Heard of RBA Before this Exercise?



84% of members knew about R.B.A before the interview compared to 78% of members from the last survey.

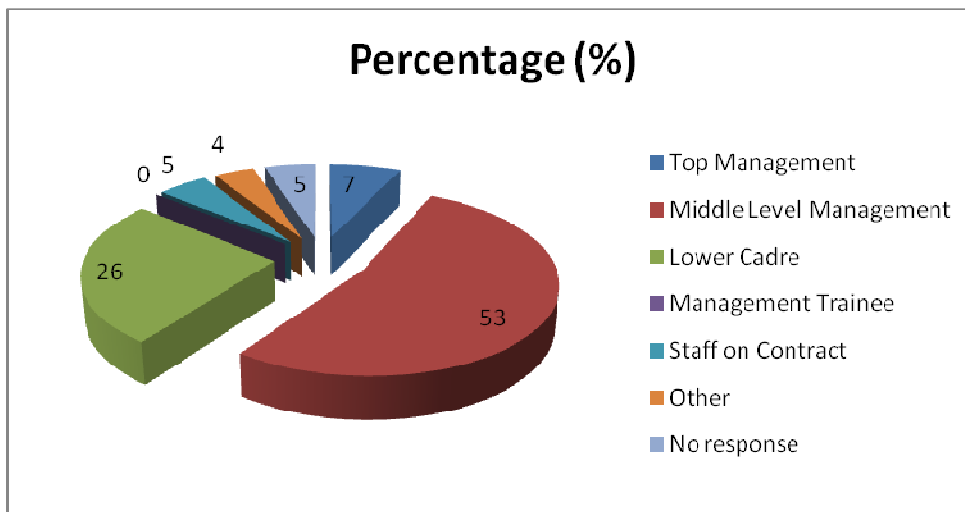
Most important though is that individuals know the mandate of the Authority.

30.1. Heard of RBA by Age Group

Age Group	Frequency	Response (%)
19 -25	7	2
26 - 30	48	12
31 -35	91	23
36-40	101	26
41 -45	79	20
46- 50	43	11
51 -55	21	5
Over 55	5	1
Totals	395	100

Those over 55 & between the ages of 19- 25 were least aware of RBA at 1% and 2% respectively. Those most aware where members between the ages of 36- 40

30.2 Heard of RBA by Employment Position



Individuals who were in middle level management were most aware of RBA before the interviews at 53% of all the members who answered positively. However staff on contract had very little knowledge of R.B.A at only 5%.

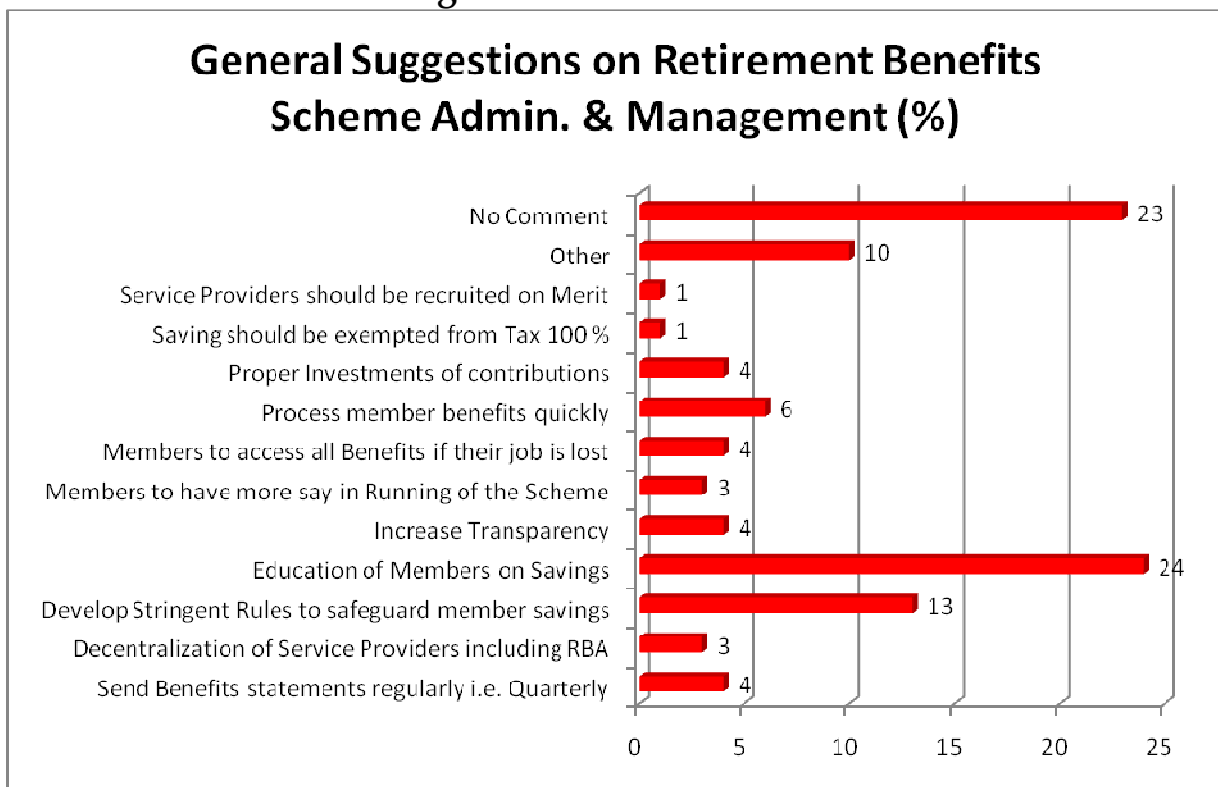
An explanation to the low response of those between the ages of 19-25 could be as a result of lack of concern for the afterlife. As one continues to grow older the more reason they find to get informed on matters relating to retirement.

31. How Respondent Heard of RBA

Mode of communication	Frequency	Percentage (%)
Friends	56	7
Newspaper	172	21
Television	165	20
Employer	242	30
Trustees	104	13
RBA Training Seminar	59	7
Annual General Meeting	2	0
Other	19	2
Totals	819	100

The main source of news on R.B.A is the employers. The newspapers and television have also contributed heavily on the education of members. However it seems that the use of friends and annual general meetings has not relayed a lot of information on RBA.

32. General Suggestions on Retirement Benefits Scheme Administration and Management



According to members, they would like RBA to educate more members on saving for retirement. At 24% the members would like to be educated on financial management. They would like the authority to consider programs that target not only those in pre-retirement but also those young savers.

13% of members want RBA to develop stringent rules to safeguard member savings. There were comments that under the current rules and regulations funds were not well secured and individuals sighted cases of misuse of funds.

3.0. SUMMARY AND CONCLUSIONS

The Member survey was drawn from all the provinces in Kenya and included the views of 472 members in the different occupational schemes. The survey will help draw the general characteristics of the membership of schemes in Kenya, seek to explain the changing pattern of the members either in pension, provident or hybrid schemes, outline the objectives of the survey and come up with policies that will help in the growth of the retirement benefits sector.

With an approximated population of 39 million, it is important to know the characteristics of the people saving for retirement. Before the survey it was approximated that RBA coverage was only 15% of the total population who were in retirement benefits schemes. In this regard it would be important to see the changing patterns of members so as to be more receptive to their needs and hence seek ways of growth and coverage.

On gender the number of female employees reduced by 1% from the last survey despite an increase in the number of paid female employees in the same period as reported by the Economic Survey 2008 where the number increased by 2.1% to 574 thousand workers in 2008. The declined growth in the number of women can be attributed to the continued exit of more women from employment to private businesses in essence the community, social and personal service Industries where most were dominated by women. Though not frequent, in the outskirts of Nairobi, the women were barred from filling the questionnaires by their spouses.

With only 17% of the individuals been single, majority of the respondents were in relationships. 78% of the members were married and 5% divorced. This meant that there was a high level of responsibility among the members and dependencies were inevitable. The increase in the youth in Kenya was evident when the representation of the youth was more than 37% of the total population of individuals polled. However,

those in the age group between 36- 40 and 31-35 accounted for the majority of the respondents at 23% and 22% respectively.

Although the youth as a single unit accounted for the majority of the respondents, they were only 14% of them who were in employment and the majority were earning less than Kshs.75,000. The lack of absorption of the youth to employment at an earlier age can be attributed to this scenario, where many individuals are unable to secure job opportunities at an earlier age. According to the Young savers survey 2009, many youth are turning to self employment as a means of self sustenance. Many youth believe that self employment is the key for a better living rather than being employed.

92% of the members were in permanent employment. Those on contract were 7% with a majority having contracts of more than 3 years. Majority of the respondents were members in their schemes for more than three years with the longest serving members having served for more than 30 years at 3% of the total population.

54% of the members were in middle management. Middle management take charge of scheme administration as either sponsor or member nominated trustees and are more in fulfilling these duties than any other group at 62% of the total population, that is more middle management staff are chosen to represent their schemes either as sponsor or member nominated trustees.

In terms of location many who had responded were from urban areas with a majority from Nairobi. However, this finding may have been affected by sampling bias arising from respondents in Nairobi having a higher response rate in returning the answered questionnaires and well run institutions that had member information in their databases. Respondents from the urban areas where more learned and hence a quick response rate was observed.

The survey was conducted to address one key objective and four other objectives.

To find out the expectations of members with regard to retirement benefits we need to know their opinion on the schemes, general comments on the rules and regulation of RBA, their expected retirement age, member opinions on whether they think they are

doing enough for retirement and if their employment is influenced by an existence of a Retirement Benefits scheme. The member's opinions on the schemes were well above average with 62% of the individuals agreeing that their schemes were well managed and financially secure with the majority of members agreeing that they knew the trustees of the schemes. This elaborated confidence in the scheme management and 58% of the individuals actually agreed that the trustees were doing a good job of communicating to members and in case of need of information 63% of them know where to get the information.

The general comments on the Act and Regulations of RBA also were a good insight to the expectations of members. 24% of individuals thought that the Act and Regulations were good to the Industry. However, there were individuals who thought that the rules and regulation should further be revised and the Authority should educate more members on the same. Some of the comments elicited were that although it was a good thing to have rules and regulations to safe guard the members' interests, the Authority had not done enough to sensitize the public on the rules and regulations. Actually 28% of the members who responded did not know the rules and regulations or made no comment.

93% of individuals had taken time to think of retirement. Majority, 52%, were individuals in the middle class. The thought of retirement age could be as a result that most of the individuals in middle management also played a pivotal role in the administration of their schemes thereby learning more about their schemes. 90% of the respondents would like to retire after 45 years with the majority wishing to retire between the ages of 51- 55 years at 45%. In most instances, the expected retirement age of members did not sharply differ with that set by their schemes hence they were many individuals who were satisfied with the schemes stipulated retirement age.

The members' opinions on whether they were doing enough to secure a good living after retirement and whether the existence of retirement benefits schemes in organizations influenced their decision to stay or change jobs will enable us know the

expectations of members. 55% of the individuals were confident that they were doing enough now to financially prepare for their retirement and 60% expected to be living a reasonable standard of living after retirement. The members expected to live a comfortable life after retirement since most were saving enough because of the growing confidence they had on the Authority to regulate the Industry. Most members felt that the preservation rule also encouraged them since they could no longer withdraw before retirement thus compounding their money until the retirement age.

58% of respondents recognize the importance of an employer having a retirement benefits scheme. With a majority of members being in schemes for longer than three years, they remain members to enable them gain from the schemes. According to the age groups those between the ages of 36-40 were more influenced to join a company that had an existing retirement benefits scheme at 25% of the total population. To note is that as the ages increase so is the influence to remain in a scheme because of the existing retirement benefits scheme. This again reduces as one nears retirement age since it no longer becomes important to save for retirement. As one grows older, so does his level of averseness of risk. They would like to venture in more permanent positions where the salaries are guaranteed.

The information needs of members about retirement benefits sector was assessed through the members views on what they deemed as important in terms of knowledge of the scheme affairs, awareness of member rights and other general comments concerning how information is disseminated to them. Members are well informed on their savings and accumulated benefits with 89% knowing their monthly contributions to the scheme and 84% knowing the employer's contributions towards the scheme. Across the board the members' overall knowledge was above average with the knowledge on whom and how many the trustees of the scheme were, being low at 63%. Most of the information is generated from the employment letters and pay slips. 58% of members know where to get more information about their scheme when they need it.

Members are aware of their rights with the right of inspection and inquiring on books of accounts been the lowest at 61% and 62% respectively. Most members are not concerned with the accounts of the organization professing the difficulty to decipher the information contained in the accounts. The members consider the rights of membership statements and to nominate beneficiaries as key in terms of importance at 79% and 71% respectively. In sharp contrast, the receiving of statement of accounts is considered an important right since it enables one to monitor his/her funds in the scheme. In a close analysis of the benefit statements although there were no figures to show the current scenario, it can be implied that we would expect more members to be receiving their benefits statements since the trend has been increasing with only 37% getting their benefits statements in 2001 compared to 75% in 2004.

Members are important in the growth and development of the retirement sector. Through the filing of complaints, whistle blowing, monitoring and agitating for sound management of their schemes they ensure the enforcement of the Retirement Benefits Act. In this same regard it is necessary to find out their satisfaction with the current management of the scheme.

In management of the schemes, members replied favorably with 58% of the individuals saying that the trustees were doing a good job communicating to the members. This ensured that members were well informed about running of the schemes and hence in a better position to spot problems in the scheme. Above all 62% of the respondents agreed that their schemes were well managed and financially secure. Although the percentage is high, there is still more work to be done. RBA has an obligation to ensure that all the schemes are run according to the rules and regulations. The schemes should be able to comply with the necessary changes that have been already enforced. For instance, in the scheme management the firm should consider having qualified professionals, such as accountants, who would then help in steering the organization in the right course.

The other method of assessing the satisfaction with the current management of the scheme is the participation rate in schemes affairs. Participating in scheme affairs

ensures that the members are well versed in matters relating to pension and are able to hold the trustees accountable for their actions. Participation rates have greatly increased from the last survey carried out. There were only 75% of individuals who were aware that participating in Annual General Meetings was their right and out of these 45% considered it very important. Many members do not see that it is important to attend matters relating to the schemes running. The top management and those on contractual terms are least bothered with participating in their schemes either in attending AGM's or attending member seminars.

There was a limiting factor in the analysis on the appreciation of RBA's current education and media campaigns since the questionnaire did not quite address the paramount issues. However the current level of awareness on RBA and matters relating to the industry were able to be captured. Only 62% of the individuals knew of RBA before the survey was conducted. The individuals felt that RBA were not doing a good job in communicating to the public its mandate and especially the Retirement Benefits Rules and Regulations. Although only 14% said they did not understand the Act, many claimed that more needed to be done to ensure that all members understood the need to save for retirement and financial management in general. The mode of communication where most individuals heard of RBA was through their employers and through adverts that were through the Radio and Television with a majority through the television.

4.0. POLICY RECOMMENDATIONS

1. The Authority should expand its education campaigns to further encompass members. The level of knowledge on the law and the rules should be increased by offering educational campaigns targeting also the Lower cadre on topics that are specific.
2. There is need for a specific education campaign with regard to preservation to explain the rationale of the rule, the purpose of retirement savings and to remove misconceptions surrounding the rule, for example, with regard to life expectancy.
3. Maximum time allowed for payment of benefits should be reduced from 60 days to thirty days. With proper books of accounting and good record keeping of all members of the scheme, members' benefits could be paid within 30 days of notification.