Retirement Benefits Authority

Safeguarding your retirement benefits

RETIREMENT BENEFITS INDUSTRY PENSIONER/RETIREES SURVEY

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ABSTRACT

Since 2002 when the first pensioner's survey was undertaken, the Retirement Benefits Authority has continued to carry out periodic pensioners' surveys geared towards establishing the living standards of retirees and the general situation of retirees and pensioners in the country with special focus on retirement income adequacy. The pensioners' surveys have given the Authority invaluable information and insights on the expectations of the pensioners as well as the challenges they face after their retirement and some of the findings and recommendations have formed the basis for policy formulation and legislative changes.

The sixth pensioner's survey was carried in the months of February 2017 to April 2017. The sample was drawn from a list of retirees who had retired in the last five years. A total of 427 respondents from different schemes and residing in different regions were interviewed and the survey revealed varied and mixed results in the lives of the retirees/pensioners. Some of the retirees/pensioners were quite successful, and, in some cases, they were doing better than when they were in employment. However, others were struggling with life and could barely make ends meet. The retirees were engaged in various economic activities ranging from farming, business, real estate, post retirement employment, to those who were doing nothing. At retirement, the lives of the retirees/pensioners took different turns; either positively or negatively, and in some cases remain the same, depending on how prepared the retiree/pensioner was.

The survey also revealed that there is high dependency on the retirees. Majority of the retirees (83.8%) indicated that they had dependants who depended on them for support who were either their own children, grandchildren or relatives. 47 percent (202) of the respondents had dependants below 18 years who were their own children. Similarly, most of the retirees had dependants over 25 years who were still dependent on them for support. A cursory analysis also showed that the past salary, investment income and the amount of monthly pension affect the perception of life in retirement. Those who had higher past salaries in most cases had higher investment income and monthly pension and they were generally happy, enjoying their lives and had a strong purpose for in their lives. The survey also revealed that some of the retirees missed friendships in the workplace and other fringe benefits.

The study recommends for the sensitization of members on entrepreneurship, implementation of the post-retirement medical cover, preservation of benefits, and the use of various incentives to encourage members to save through additional voluntary contribution.

Table of Contents

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1.0 INTRODUCTION

1.1 Background

Retirement denotes a variety of notions to different individuals. The perception towards it also differs from one individual to another, and ranges from: anticipated leisure; life enrichment; reward for long and dutiful service rendered; to that of; withdrawal from active duty and usefulness to the society. At times retirement is seen as a penalty for growing old. Others view it as a discrete event-as a "cliff edge" movement from full time work to total work force exit (Davey, 2008; Henkens and van Dalen, 2011). It has also been seen as a period of transition that is accompanied by psychological distress or as a time of continued, or enhanced, subjective wellbeing (Schuller, 1987; Kim and Moen, 2001). Retirement is a significant life change that affects various areas and in most cases, it entails changes to individual economic circumstances (Fadila and Alam, 2016). The transition from a life of work to one of retirement has both practical and emotional implications. The loss of paid employment often leads to lower life satisfaction due to financial insecurity and a lower standard of living (Heybroek, 2011).

The effect of retirement differs depending on the individual circumstances surrounding the retirement transition. The associated change may be negative or positive or they may be no change at all. It is often a mixture of the expected and unexpected (Osborne, 2012). The end of working life is often associated with the loss of a role fundamental to personal identity and social status. This can result in disengagement from society due to the loss of support and networks. Retirees may also experience low motivation and boredom if they are unable to replace the lost role with new activities. Disruption brought about by retirement may also be associated with low levels of life satisfaction and high levels of stress (Szinovacz, 2003). However, in some cases retirees are satisfied with their lives and tend to enjoy increased levels of physical and social activity and report fewer negative emotions after retirement (Calasanti, 1996; Szinovacz, 2003; de Vaus et al, 2003).

There is therefore need to support retirees/pensioners to understand and develop in this situation and contribute positively to their personal and wider societal development. As the Retirement Benefits Authority continues to pursue its mandate of safeguarding and developing the retirement benefits sector, members remain its primary concern. It is paramount for the Authority to keep abreast on whether retirees/pensioners achieve a decent replacement rate and are satisfied with their lives in retirement. The pensioner survey therefore is important given that the views of the retirees/pensioners would inform policy formulation and advice to the Cabinet Secretary, National Treasury and the development of new and innovative products in the pension industry.

1.2 Problem Statement

Since 2002 when the first pensioner's survey was undertaken, the Retirement Benefits Authority has continued to carry out periodic pensioners' surveys geared towards establishing the living standards of retirees and the general situation of retirees and pensioners in the country with special focus on retirement income adequacy. The surveys have also focused on member education, accessibility of information as well as the administration of the pension schemes. It also assessed the awareness of retirees on the mandate of the Authority and the impact of the public education campaigns. The surveys also assessed whether retirees were able to afford a sustainable standard of living in retirement. The surveys have also given the Authority invaluable information and insights on the expectations of the pensioners as well as the challenges they face after their retirement and some of the findings and recommendations have formed the basis for policy formulation and legislative changes.

This survey, unlike the previous surveys, focused on the retirees' life satisfaction levels and their perception of their situation in retirement, specifically, the financial situation and the general living conditions. It also assessed the changes in the living condition of the retirees/pensioners given the last pensioners' survey was undertaken in 2012. This is important given that there have been various developments and changes in the pension sector and in the policy arena; more so the recent move by the government to uplift the general living conditions of retirees and the low income earners by eliminating the tax burden for both the low income earners and the retirees earning pension below the lowest tax band[1].

Equally, today, retirees live longer, thanks to the improved health care, and thus, the need to improve their quality of life. As John F. Kennedy commented in his special message to the congress on the needs of the nations senior citizens in February 21, 1963, "*it is not enough for a nation to have added years of life. Our object must be to add new life to those years*". Now that retirees live longer, there is more interest in the quality of retirement life (Osborne, 2012).

This survey therefore hopes to establish pensioners' perceptions, expectations and challenges in retirement and their future outlook that would assist the Authority in responding to the needs of retirees/pensioners and members of schemes. The survey findings would also

[1] For more details see: Finance Act, 2016 no. 38 of 2016 section 16 which amended the section 53 of the income tax act to allow for tax exemption of income from employment paid in the form of bonuses, overtime and retirement benefits provided that the taxable employment income before bonus and overtime does not exceed the lowest tax band provided under Head B of the third schedule.

provide policy implications for social policies designed to improve the welfare of retirees/pensioners and also provide for a better understanding of retirees experiences.

1.3 Objectives of the Survey

The general objective of the survey is to investigate the experience of retirees/pensioners and how they perceive their lives in retirement. The specific objectives of the survey are:

1. To establish how retirees/pensioners perceive their retirement situation;
2. To examine the social economic factors that affect pensioners/retirees;
3. To identify policy interventions that could improve the livelihood of retirees in Kenya.

2.0 LITERATURE REVIEW

The experience of retirement may vary with differing levels of access to social, cultural and economic resources that are important to life satisfaction. Retiring men and women may experience different life course transitions and trajectories. Retirement usually entails changes to economic circumstances. The loss of paid employment may lead to lower life satisfaction due to financial insecurity and a lower standard of living. Retirement may be more detrimental to life satisfaction if it unexpectedly, or "off-time" regarding either the institutionalized retirement age or an individual's own expectations and preferences (Szinovacz, 2003). Some retirees may experience depression or the feeling of being in a void. Others may feel lonely if their partner is younger and still working.

The negative effect of retirement due to financial insecurity may be particularly marked if the retirement is involuntary. Similarly, there are many social circumstances which may change at retirement. The end of working life may be associated with the loss of a role fundamental to personal identity (how we see ourselves) and social identity (how others see us). This can result in disengagement from society due to the loss of social support and networks. Retirees may also experience low motivation and boredom if they are unable to replace the lost role with new activities (Pinquart and Schinder, 2007). Retirees may have to live with and respond to increasing uncertainty and in some cases retirees experience lower levels of health and wellbeing. In some cases, retirement can lead to renegotiation of domestic responsibilities and territorial disputes with their spouses especially in the case of men.

However, some studies have found retirees, satisfied with their lives (Szinovacz, 2003; De Vaus et al, 2003; Calasanti, 1996). Other studies have shown no apparent impact from retirement on an individual's wellbeing (Gall et al., 1997; Stull, 1988). The effect of retirement is therefore varied and complex, as Schuller (1987), notes that the transition from paid employment has become increasingly complex. In his article entitled "*Second Adolescence? The Transition from Paid Employment*" Schuller argues that there is no longer a simple transition from education to work; there is now another heterogeneous and ambiguous stage at the end of working life. He called this "work-ending" and emphasized the need for more research on this neglected life stage. Worsley (1996) also argued that rather than seeing retirement as a "one-off" concept, it would be more productive to see people negotiating moves in and out of work, related to chronological age but based on their skills, abilities and life experiences.

Panis (2003) analyzed the pre-retirement expectations and post retirement satisfaction of retirees in particular with respect to the characteristics of retirement resources using the 1992-2000 Health and Retirement Study (HRS) data of USA found out that most retirees were satisfied with their overall situation, but the degree of satisfaction varies substantially with retiree characteristics. Panis observes that the most influential determinants of satisfaction are health status and financial resources. People in better health and with more financial resources tend to be more satisfied. They found out that retirees with lifelong annuities tend to maintain their level of satisfaction during retirement while those without tend to become less satisfied over time. Panis cautions that the trend of schemes moving away from defined benefits (DB) pensions may have implications longevity risks apart from the investment risks being borne by the member. He argues that this situation may see fewer retirees in future with lifelong incomes and thus dragging down future retiree satisfaction. He therefore advocates for policies which encourages annuitization. The study also found out that individuals who had engaged in long term planning by attending a retirement planning meetings or by purchasing an insurance policy for long term care reported greater satisfaction.

Bender and Jivan (2005) argue that measures of retiree wellbeing have focused primarily on two economic measures: retirement income and wealth. They observe that research on these measures often attempts to identify factors that lead to higher levels of income or wealth, assuming that more money leads to increased overall wellbeing. They note that economic wellbeing is only one dimension of the overall wellbeing. Bender and Jivan found that while economic wellbeing (as measured by income and wealth) does increase overall wellbeing but the effect is relatively small. They also observe that two other factors: reasons for retirement and health have important effect on the retirees' wellbeing.

Heybroek (2011) investigated the changes in levels of satisfaction and the impact of the various socio and economic factors across the retirement transition[2] using Latent Growth Mixture Modelling and found that there are distinct phases of change in life satisfaction observed as people move through pre and post-retirement. People are expected to experience a common reaction in any life event, for example, getting a job could be expected to be associated with an increase in life satisfaction for a period of time while life events such as unemployment, ill health or bereavement are typically accompanied by low levels of satisfaction (Carroll, 2007; Cole et al., 2009). The effect of retirement on life satisfaction differs for a range of reasons, depending on the individual circumstances surrounding the retirement transition (Heybroek, 2011). The associated change may be negative or positive, or there may be no change at all.

Osborne (2012), examined the psychological effects of disengagement from work life and the transition to retirement and observes that some of the effects experienced by retirees include partial identity disruption, decision paralysis, diminished self-trust, post retirement void, the search for meaningful engagement in society, development of a retirement/life structure, the confluence of aging and retirement, death anxiety, the critical nurturing of social relationships, and self-actualization. He opines that transition to retirement is often a mixture of the expected and unexpected and it has the potential to create major psychological issues that are sometimes overlooked. Osborne notes that that in the past, preparation for retirement has been morphed into financial planning while psychological concerns being secondary. Interest in psychological aspects of retirement has increased given that retirees are likely to have at least some psychological issues with varying degree of impact. For many retirees, the most important psychological challenge resulting from retirement is the loss of a work/life structure and the task of building a retirement/life structure to replace it. Retirement from the labour market serves as the turning point for the individual, requiring that he stops performing the role accompanied by employment position and adapt to new roles (Shin, 2007).The transition is made more difficult by the fact, particularly for men, important parts of retirees' identities are shaped by their jobs. He observes that transition to retirement requires a major adjustment to the loss of a work life structure and the building of a retirement/life structure. The impact upon a workers identity can be traumatic if employment was the main source of that person's identity[3]. The transition can also re-activate identity issues that occurred earlier in the workers life.

[2] The retirement transition includes the pre-retirement years when people are considering retirement, the retirement event itself when people leave the labour force and the post retirement years when people are adjusting to their new status. The paper used life satisfaction as measure of subjective wellbeing to assess quality of life for retirees.

[3] Identity can be viewed in two perspectives: how we see ourselves (personal identity) and how others see us (social identity).

Transamerica Center for Retirement Studies (2016) conducted an online survey in July 2015 among a nationally representative sample 2,012 retirees using the Harris Poll online panel for retirees who met the following criteria: U.S. residents age 50 or older; consider themselves to be fully or semi-retired and must have previously employed for a profit company employing 10 or more people for the majority of their career. The survey found out that many retirees were recovering from the great recession following the financial crisis. Many were managing their households with modest retirement incomes with most of them enjoying life. However, many of them may have been ill equipped to deal with a financial shock. Most retirees agreed that there were generally happy (94 percent), enjoying life (90 percent), and have a strong purpose in life (84 percent). Some noted that their everyday activities were becoming difficult (31 percent), having trouble making ends meet (28 percent) or feeling isolated and lonely (11 percent). Sixty percent of the retirees indicated that their standard of living had stayed the same since they retired while 28 percent indicated that their standard of living decreased. Only 10 percent indicated that their standard of living had increased since they retired. Forty four percent of retirees indicated that heir enjoyment of life has increased since entering retirement, while 34 percent indicated that it had stayed the same. Nineteen percent of retirees indicated that their enjoyment of life had decreased since they retired. On general health, seven in ten consider themselves to be in good or excellent health. Most retirees frequently cited declining health and reduction or elimination of social security as their greatest retirement fears. This was closely followed by outliving their savings and investment.

2.1 Previous Pensioners/Retirees Surveys

The first pensioner survey was carried out in the year 2002 with the underlying objective to establish the circumstances of retirees in the country. The survey also examined the retirees' experiences as members of retirement benefits schemes. The second survey was carried out towards the end of 2003 with similar objectives as the first survey, it targeted members who had just retired, and 107 retirees were interviewed. Majority of the respondents were male constituting 74.8 percent while female constituted only 25.2 percent. Also majority of the respondents (54.2%) had stayed with one employer while 45.8 percent had changed jobs. 38.7 percent of those who changed jobs withdrew their accrued benefits while 18.4 percent transferred their accrued benefits to the new scheme, only 8.2 percent deferred their benefits. Most respondents (68.3%) noted that pension was their most important source of income. The major challenge which the respondents faced was delay in the payment of benefits. The respondents noted that the delays in payment s forced them to follow up and it resulted to huge expenses. The respondents also mentioned lack of pension increases and lack of information from the schemes as some of the key challenges.

The third pensioner survey was carried towards the end of the year 2004 and the objectives and the target group was similar to the previous two surveys. However, unlike the previous surveys, one new objective was added to assess the impact of the Retirement Benefits Act on retirees and pensioners by comparing the status of those who retired before commencement of the Act to those who retired after. 110 retirees were interviewed and majority of the respondents were male constituting 76.1 percent while female constituted 23.9 percent. Also majority of the respondents (59.1%) had stayed with one employer while 40.9 percent had changed jobs. 26.7 percent of those who changed jobs withdrew their accrued benefits while 24.4 percent transferred their accrued benefits to the new scheme, only 7.1 percent deferred their benefits. Most respondents (72.4%) noted that pension was their most important source of income. Similar to the previous periods, the respondents noted that the major challenge was delay in the payment of benefits and inadequate income.

The fourth pensioners survey was carried out in the year 2008 with an aim of identifying the needs of retirees and pensioners and make appropriate recommendations. Unlike the previous surveys, the retirees/pensioners were assessed on the awareness and understanding of the various legislative changes affecting the retirement sector. The survey also assessed whether the pre-retirement training seminars undertaken by the Authority had an impact on the retirees. Similarly, it examined the impact of the various surveys and the legislative changes arising thereof. During the period, 240 respondents were interviewed. This was a great improvement from the previous periods. Majority of the respondents were male, constituting 68.2 percent while female constituted 31.8 percent. Also majority of the respondents (60.9%) had stayed with one employer while 38.2 percent had changed jobs. 38.5 percent of those who changed jobs withdrew their accrued benefits while 20.9 percent transferred their accrued benefits to the new scheme, only 11 percent deferred their benefits. Although, a high proportion (61.25%) of the respondents had heard of the Authority, very few (24.58%) retirees/pensioners were aware that the Authority conducted pre-retirement training seminars and only 7% of the respondents had attended the pre-retirement seminars conducted by the Authority. The respondents noted that they still faced the following challenges: delays in payment of benefits; miscalculation of benefits and long wait of administration letters.

The fifth pensioner survey was carried out in 2012 with a key objective to investigate the experiences of retirees in Kenya and 257 retirees were interviewed, of which, 81 percent of the respondents were male while 19 percent were female. Majority (94%) of the respondents had dependants who relied on them for support. The average number of dependants was two per respondent. 73 percent of the respondents indicated that their savings for retirement were not sufficient based on their previous salary. However, only 8 percent of the surveyed retirees made additional voluntary contribution. Majority (71%) of the surveyed retirees did not change jobs during their working lives while only 29 percent changed jobs. 46 percent of the retirees who changed jobs indicated that they withdrew their benefits while 46 percent transferred their benefits to another scheme. 80 percent of the surveyed retirees indicated that they had attended the retirement planning seminars undertaken by the Authority. The retirees indicated that they experience delays in the payment of benefits.

3.0 Methodology

3.1 Scope of the Study

The survey covered mainly the retirees/pensioners who were members of occupational schemes. The sample was drawn from the list of retirees from the various registered administrators and the internal administrators. The sample included both those who received one-off lump sums at retirement (those who were members of a provident fund), and also those who receive a pension either as commuted benefits or the benefits have been annuitized (those who were members of a pension scheme). The survey focused on retirees of occupational retirement benefits schemes, for the main reason that, occupational retirement benefits schemes forms the bulk of the retirement schemes in Kenya. Also, majority of the members of the occupational scheme are also members of the mandatory scheme (National Social Security Fund –NSSF). The retirees/pensioners who retired in the last five years were interviewed by trained research assistants through face-to-face interviews. The data was collected using a questionnaire designed to capture both quantitative and qualitative data.

3.2 Challenges/Limitation of the Study

Although the survey was largely successful, still a number of challenges were experienced. The survey covered various regions which were dispersed and in some cases remote areas. Some of the retirees also had multiple homes and therefore scheduling of interviews was challenging. Similarly, some of the retirees who had been sampled were not willing to undertake the interview even though they had agreed previously. Most of those who refused to be interviewed were either suspicious and some only agreed after being called and explained to by the supervisors. The suspicion by some the retirees can be attributed to timing of the survey, being an electioneering period. This challenge was addressed through replacements. Another challenge was that some of the respondents could not recall or refused to provide the answers to some of the questions for example the contribution rates they were making to their previous schemes. For those who provide the answers, some of them were not in sync with the contribution rates of the scheme. Most of the respondents did not also provide the salaries prior to retirement. The retirees also expected some incentive ("*something*") or tokens for participating in the interview.

4.0 Data Analysis and Findings

This section provides the descriptive statistics and analysis of the data. It also discusses the findings of the survey.

4.1 Biodata

4.1.1 Gender

Out of 427 retirees interviewed majority of respondents were male constituting 78.69 percent while female constituted only 21.31 percent. This implies that the labour is still skewed in favour of men.

Table 1: Gender

Sex	No of pensioners	Percentage
Male	336	78.69%
Female	91	21.31%
Total	**427**	**100%**

4.1.2 Age of Respondents

The ages of the respondents ranged from age 49 years to 77 years. Majority of the respondents are between age 56 and 65 years, which constitute a total of 75.64% of the total respondents.

Table 2: Age of Respondents

Age Bracket	Number of Respondents	Percentage
50 and Below	5	1.17%
51-55	68	15.93%
56-60	105	24.59%
61-65	218	51.05%
66-70	21	4.92%
71-75	6	1.41%
over 75	1	0.23%
Not Indicated	3	0.70%
Total	**427**	**100.00%**

4.1.2 Region

The table below provides the sample size by region. The Nairobi Metropolitan area had the largest number of respondents of 96 and Upper Eastern has the smallest number of respondents of 14. The Nairobi metropolitan area included areas such as Ongata Rongai, Kitengela, Athi River, Syokimau and Mlolongo. This implies that most pensioners/retirees settled in the outskirts of Nairobi rather than in the rural homes. This can be attributed to the fact that most of the services are in Nairobi and some of retirees may have had access to mortgage facilities therefore purchase residential houses. Some of the retirees noted that they had built their houses in order to avoid paying rent and therefore continued to live in those houses even in retirement.

Table 3: Number of Respondents by Region

Regions	Number of pensioners	Percentage
Nairobi Metropolitan	96	22.5
Nyanza	87	20.4
Rift Valley	64	15
Central	60	14.1
Western	42	9.8
Coast	40	9.4
Lower Eastern	24	5.6
Upper Eastern	14	3.3
Grand Total	**427**	**100**

4.1.3 Marital Status

Majority of the respondents were married constituting 86.89%, while 6.09% were either widow or widower, 3.98% were single, and a small number reported to be separated (0.94%) and 1.41% indicated that they were divorced.

Table 4: Marital status

Marital Status	Male	Female	Total	Percentage
Married	316	55	371	86.89%
Single	7	10	17	3.98%
Widow/er	7	19	26	6.09%
Divorced	3	3	6	1.41%
Separated	1	3	4	0.94%
Not Indicated	2	1	3	0.70%
Grand Total	**336**	**91**	**427**	100.00%

4.1.4 Level of Education

Majority of the respondents (39.34%) had high school education, 23.19% had college education, 22.71% had University education, 12.88% had primary education.

Table 5: Highest education level attained by pensioner

Level of Education	Male	Female	Total	Percentage
High school	127	41	168	39.34%
College/Technical/Polytechnic	80	19	99	23.19%
University	75	22	97	22.71%
Primary school	47	8	55	12.88%
Professional courses	1		1	0.23%
Not Indicated	6	1	7	1.64%
Total	**336**	**91**	**427**	100.00%

4.2: Dependants

Majority of the respondents (87.59%) indicated that they had dependants who relied on them for support while 12.18% did not have dependants, 0.23% of the respondents did not indicate. Almost all male respondents (90%) had dependants.

Table 6: Dependants

Do you have dependants?	Male		Female		Grand Total	
Yes	304	90.48%	70	76.92%	374	87.59%
No	31	9.23%	21	23.08%	52	12.18%
Not Indicated	1	0.30%		0.00%	1	0.23%
Grand Total	**336**	100.00%	**91**	100.00%	**427**	100.00%

When asked about the age bracket of the dependants, most of the respondents who said yes had dependants between ages 16-20 years and 21-25 years. Surprisingly, 43.79% of the respondents who had dependants indicated that they had dependants age over 25 years old. 8.9% of the pensioners had dependants age below 5 years, 17.1% had dependants between 6 and 10 years, 26.93% had dependants between ages 11-15 years.

Table 7: Age of dependants

Age Bracket of Dependants	Male	Percentage	Female	Percentage	Grand Total	Percentage
Under 5	34	11.18%	4	5.71%	38	10.16%
6 - 10 years	69	22.70%	4	5.71%	73	19.52%
11 - 15 years	96	31.58%	19	27.14%	115	30.75%
16 - 20 years	169	55.59%	30	42.86%	199	53.21%
21 - 25 years	168	55.26%	29	41.43%	197	52.67%
Over 25 years	155	50.99%	33	47.14%	188	50.27%

Again, most of the respondents (54.01%) who had dependants below 18 years indicated that the dependants were their own children, while 21.12% of the pensioners/retirees indicated that the dependants were not their own children, 24.06% did not indicate. Most male respondents (56.91%) who had dependants had dependants below 18 years and who were their own children.

Table 8: Dependants (Own Children) below 18 Years

If the dependants are below 18 years are they your own Children?	Number of Respondents	Percentage	Male	Percentage	Female	Percentage
Yes	202	54.01%	173	56.91%	29	32.22%
No	79	21.12%	59	19.41%	20	22.22%
Not Indicated	93	24.87%	72	23.68%	21	23.33%
Total	**374**	**100.00%**	**304**	**100.00%**	**90**	**100.00%**

Those who indicated that they had dependants who were below 18 years but not their own children (21.12%), most of them (44.3%) indicated that the dependants were their grandchildren; 17.72% were looking after nephews/nieces; 13.92% were looking after relatives, 10.13% were looking after adopted children, 7.6% were looking after needy children in church and 6.33% were looking after orphans.

Table 9: Relationship with Dependants below 18 years and not their children

Dependants	No of Respondents	Percentage
Grandchildren	35	44.30%
Nephew/niece	14	17.72%
Relatives	11	13.92%
Adopted Children	8	10.13%

Dependants	No of Respondents	Percentage
Needy children in church	6	7.60%
Orphans	5	6.33%
Total	**79**	**100%**

Surprisingly, the age bracket between 56-65 years had the highest number of the dependants with male recording the highest number of dependants of which most of them were their own children. The high number of retirees having children below 18 years can be attributed to fact that some of the retirees got married to second wives or re-married after retiring.

Table 10: Age of Respondents and Number of Dependants

Age Bracket of Respondents	Number of Respondents	Percentage	Number of Dependants	Percentage
50 and Below	5	1.17%	14	1.01%
51-55	68	15.93%	258	18.52%
56-60	105	24.59%	384	27.57%
61-65	218	51.05%	654	46.95%
66-70	21	4.92%	60	4.31%
71-75	6	1.41%	13	0.93%
over 75	1	0.23%	0	0.00%
Not Indicated	3	0.70%	10	0.72%
Total	**427**	**100.00%**	**1393**	**100.00%**

Table 11: Number of dependents per gender

Number of dependents	Male	Percentage	Female	Percentage	Number of Respondents	Percentage
1	46	15.13%	21	30.00%	67	17.91%
2	52	17.11%	16	22.86%	68	18.18%
3	60	19.74%	15	21.43%	75	20.05%
4	46	15.13%	8	11.43%	54	14.44%
5	32	10.53%	7	10.00%	39	10.43%
6	21	6.91%	1	1.43%	22	5.88%
7	12	3.95%	1	1.43%	13	3.48%
8	13	4.28%		0.00%	13	3.48%
9	3	0.99%		0.00%	3	0.80%
10	11	3.62%	1	1.43%	12	3.21%
11	1	0.33%		0.00%	1	0.27%
12	1	0.33%		0.00%	1	0.27%
13	1	0.33%		0.00%	1	0.27%
14	1	0.33%		0.00%	1	0.27%
15	2	0.66%		0.00%	2	0.53%
Not Indicated	2	0.66%		0.00%	2	0.53%
Total	**302**		**70**		**374**	

4.3: Economic Activities

Majority of the respondents (52.46%) indicated that they were engaged in farming activities ranging from rearing chicken, pigs, to dairy farming. 36.53% of the pensioners indicated that were undertaking business activities ranging from small-scale businesses, rental houses to consultancy. Interesting to note is that 14.05% of the respondents were engaged in post – retirement employment. This was either to put into use their acquired skills and competencies or to supplement their income due to financial hardship, therefore they have to bridge their incomes and ease financial difficulties. Only 14.75% indicated that they were not engaged in any economic activity. Others (0.7%) were engaged in voluntary work in the community e.g. helping the disable children.

Table 12: Economic activities

What economic activity are you currently involved in?	Male	Percentage	Female	Percentage	Grand Total	Percentage
Farming	190	56.55%	34	37.36%	224	52.46%
Business	120	35.71%	36	39.56%	156	36.53%
None	48	14.29%	15	16.48%	63	14.75%
Post Retirement Employment	47	13.99%	13	14.29%	60	14.05%
Voluntary Work e.g. Taking care of children with disability	1	0.30%	2	2.20%	3	0.70%

The economic activities of the respondents also vary depending on the region/location. Majority of those who reported that they were engaged in farming were from Western, Upper Eastern, Lower Eastern, Rift Valley, Nyanza and Central Kenya while majority of those who were doing business were from Nairobi, Coast and Nyanza regions. Post–retirement employment was also high in Nairobi Metropolitan area.

Table 13: Economic Activities by Region

Economic Activity	Central	Coast	Lower Eastern	Nairobi Metropolitan	Nyanza	Rift Valley	Upper Eastern	Western
None	15.00%	27.50%	25.00%	15.63%	11.49%	9.38%	14.29%	9.52%
Farming	55.00%	25.00%	62.50%	34.38%	60.92%	60.94%	64.29%	76.19%
Post retirement Employment	10.00%	15.00%	12.50%	23.96%	10.34%	12.50%	14.29%	7.14%
Business	33.33%	40.00%	16.67%	50.00%	37.93%	32.81%	28.57%	23.81%
Voluntary work e.g. caring for children with disability	1.67%	0.00%	0.00%	2.08%	0.00%	0.00%	0.00%	0.00%

In terms of gender, most men were engaged in farming while most women were engaged in business. There was no much differentiation on the nature of economic activity and the level of education except that most of those who were engaged in post retirement employment had university education and most likely had held managerial positions.

Table 14: Economic activities per educational level

Economic Activity	Primary school	High School	College/Technical school/polytechnic	University	Professional courses	Not Indicated
Business	32.73%	29.17%	40.40%	43.30%	0.00%	71.43%
Farming	41.82%	60.71%	49.49%	46.39%	100.00%	57.14%
None	21.82%	16.07%	18.18%	6.19%	0.00%	0.00%
Post Retirement Employment	12.73%	6.55%	11.11%	31.96%	0.00%	0.00%
Voluntary work e.g. handling children with disability	0.00%	0.00%	1.01%	2.06%	0.00%	0.00%

Figure 1: Poultry Farming

Figure 2: Maize Farming

4.3: Type of Scheme

Most of the respondents were versed with the type of scheme they belonged to. Majority of the retirees (80.8%) indicated that their last scheme was a pension scheme, 18.03% were members of a provident fund while 1.17 % did not know the type of scheme in which they were members.

Table 15: Type of Scheme

Type of Scheme	Number of Pensioners	Percentage
Pension	345	80.8%
Provident	77	18.03%
Do not Know	5	1.17%
Total	**427**	**100%**

4.4: Mode of retirement

Majority of the respondents (60.89%) retired under normal retirement, 35.36% retired under early retirement while 1.87% of the pensioners retired out of medical or terminal illness. Only one respondent (0.23%) had retired under late retirement.

Table 16: Mode of Retirement

How Did You Retire?	Number of respondents	Percentage
Normal retirement	260	60.89%
Early retirement	151	35.36%
Medical/Terminal illness	8	1.87%
Late retirement	1	0.23%
Not indicated	7	1.64%
Total	**427**	**100.00%**

4.5: Years of Active Employment

Majority of the respondents (76.58%) had been actively employed for over 25 years with most of them (27.63%) having been in active employment for between 31-35 years; 24.59 % of the respondents were actively employed for over 35 years; 12.18% of the respondents were employed for between 21-25 years; 4.92% were employed for between 16-20 years; 3.28% were actively employed for 11-15 years; 0.70 % of the respondents were employed for a period of 1-5 years.

Table 17: Years of active employment

Years of Active Employment	Number of Pensioners	Percentage
1 – 5 years	3	0.70%
5 – 10 years	2	0.47%
11 -15 years	14	3.28%
16 -20 years	21	4.92%
21 – 25 years	52	12.18%
26 – 30 years	105	24.59%
31 – 35 years	118	27.63%
over 35 years	104	24.36%
Not Indicated	8	1.87%
Total	**427**	**100%**

4.6: Number of Years Saved for Retirement

Most of the respondents (22.25%) indicated that they had saved for retirement for between 26-30 years, 19.67% of the respondents saved between 21-25 years, 15.46% of the respondents saved for 31-35 years, 11.01 % saved for 16-20 years, 9.60% of the respondents indicated the number of years of saving is over 35 years, 6.09 % saved for 11-15 years, 5.85% of the respondents saved for 5- 10 years while 5.39% of the respondents saved for 1-5 years. Compared to the years of active employment, only 47.31% of the respondents had saved for retirement for more than 25 years. This implies that most of respondents had saved for shorter periods. This may be attributed to the eligibility criteria to be a member of a scheme and terms and conditions of service which most employers apply.

Table 18: Number of Years of Saved for Retirement

Years	Number of Respondents	Percentage
1 – 5 years	23	5.39%
5 – 10 years	25	5.85%
11 – 15 years	26	6.09%
16 – 20 years	47	11.01%
21 – 25 years	84	19.67%
26 – 30 years	95	22.25%
31 – 35 years	66	15.46%
over 35 years	41	9.60%
Not Indicated	20	4.68%
Total	**427**	**100%**

4.7: Voluntary Additional Contributions

Majority of the respondents (76.35%) indicated that they were not making additional voluntary contributions. Only 16.62% of the respondents indicated that they made additional voluntary contributions.

Table 19: Voluntary Additional contribution

Did You Make any Additional Voluntary Contributions?	Number of Respondents	Percentage
Yes	71	16.62%
No	326	76.35%
Not indicated	30	7.03%
Total	**427**	**100%**

4.8: Retirement Savings and Contributions

The respondents were asked whether based on their salary, the savings they were making while in employment were sufficient and majority of respondents (65%) indicated that the savings were not sufficient for retirement while 32% felt that their savings were sufficient for retirement.

Table 20: Sufficiency of Savings

Based on your salary, do you think that your savings were sufficient for retirement?	No of Pensioners	Percentage
Yes	138	32%
No	279	65%
Not indicated	10	3%
Total	**427**	**100%**

There was much difference for those who made additional voluntary contribution and those who didn't. For those who made additional voluntary contribution 30.99% indicated that what they were saving was sufficient for retirement. Those who didn't make voluntary contribution 33.74% indicated that based on their salaries they thought that their savings were sufficient for retirement.

Table 21: Additional Voluntary Contribution and Sufficiency of savings

	Additional voluntary contribution			
Saving Sufficient?	**Yes**	**No**	**Not indicated**	**Grand Total**
Yes	30.99%	33.74%	20.00%	32.32%
No	67.61%	65.64%	56.67%	65.34%
Not indicated	1.41%	0.61%	23.33%	2.34%
Grand Total	100.00%	100.00%	100.00%	100.00%

4.9: Deterrent for Making Substantial Contribution

The respondents were asked what the main deterrent to making substantial contribution was and majority of the respondents (62.72%) indicated that lack of adequate disposable income was the main deterrent. 26.52% indicated that lack of information, 9.68% indicated that there making other investments while 7.53% indicated that they lacked the opportunity and 1.08% of the respondents indicated that their contributions were dependent on the collective bargaining agreements (CBA). Some of the respondents indicated that other needs such as Sacco contributions and repayment of loans were the main deterrent. Some the respondents indicated that they did not see any need to make substantial savings for retirement.

Table 22: Deterrent to Saving

Main Deterrent to Making Substantial Contribution	Number of Respondents	Percentage
Lack of adequate disposable income	175	62.72%
Lack of information	74	26.52%
Other Investment e.g. Sacco	27	9.68%
Lack of opportunity	21	7.53%
Collective Bargaining Agreements (CBA)	3	1.08%

4.10 Other Sources of Income before Retirement

Majority of the respondents (62.76%) indicated that they had no other sources of income before retirement, only 34.66% of the respondents reported that they had other sources of income. For those who had other sources, majority (60.40%) were engaged in farming activities, 28.86% were undertaking business and 23.49% were engaged in real estate investments. Majority of respondents from Nairobi metropolitan have real estate as their other source of income while majority of respondents from other regions were doing farming to provide alternative income. Some of the respondents had invested in the stock market, while others were engaged in consultancy before retirement.

Table 23: Other Sources of Income before Retirement

Other than your salary, did you have other sources of income before your retirement?	Male	Female	Grand Total	Percentage
Yes	118	31	149	34.89%
No	210	58	268	62.76%
Not Indicated	8	2	10	2.34%
Grand Total	**336**	**91**	**427**	100.00%

Table 24: Sources of Income before retirement by gender

Other Sources of Income before Retirement	Male	Female	Grand Total
Farming	64.41%	45.16%	60.40%
Business	28.81%	29.03%	28.86%
Rea estate Investment	22.88%	25.81%	23.49%
Share dividends	6.78%	6.45%	6.71%
Interests on Bonds	0.00%	6.45%	1.34%
Plots	0.85%	3.23%	1.34%
Consultancy	1.69%	0.00%	1.34%
Interests from deposits in Banks	0.00%	3.23%	0.67%
Royalties	0.85%	0.00%	0.67%

Table 25: Other Source of Income before Retirement by Region

Source of income	Central	Coast	Lower Eastern	Nairobi Metropolitan	Nyanza	Rift Valley	Upper Eastern	Western	Grand Total
Farming	94.44%	60.00%	60.00%	30.95%	50.00%	75.00%	100.00%	92.31%	60.40%
Business	11.11%	50.00%	40.00%	33.33%	36.67%	25.00%	0.00%	15.38%	28.86%
Real Estate Investment	22.22%	20.00%	20.00%	38.10%	20.00%	21.43%	0.00%	0.00%	23.49%
Share dividends	5.56%	10.00%	20.00%	7.14%	13.33%	0.00%	0.00%	0.00%	6.71%
Interest on Bonds	0.00%	0.00%	0.00%	4.76%	0.00%	0.00%	0.00%	0.00%	1.34%
Plots	0.00%	0.00%	0.00%	0.00%	3.33%	3.57%	0.00%	0.00%	1.34%
Consultancy	5.56%	0.00%	0.00%	0.00%	3.33%	0.00%	0.00%	0.00%	1.34%
Interest from deposits in Banks	0.00%	0.00%	0.00%	2.38%	0.00%	0.00%	0.00%	0.00%	0.67%
Royalties	0.00%	0.00%	0.00%	2.38%	0.00%	0.00%	0.00%	0.00%	0.67%

4.11: Changing Jobs

41.5% of the respondents indicated that they changed jobs during their working lives, 55.5% indicated that they had not changed jobs. When asked what they did with their accumulated benefits most of the respondents (25.4%) who changed jobs indicated that they withdrew their accumulated benefits when they first changed jobs, 15.3% transferred their benefits and 10.7% deferred their benefits when the first changed jobs. Similarly, those who changed jobs more than once, most of them withdrew their benefits compared to those who either transferred or deferred their benefits. This implies that there is a high temptation for members to access benefits whenever they change jobs and thus may create a serious financial difficulty in retirement, especially if the accessed funds are not invested well and worst still they are likely to receive a meagre retirement benefits.

Table 26: Changing Jobs

	No of Pensioners	Percentage
Yes	177	41.5%
No	237	55.5%
Not indicated	13	3%
Total	**427**	**100%**

Table 27: Treatment of Benefits

	1st Job Change	2nd Job Change	3rd Job Change
Withdrew Benefits	45	12	6
Transferred Benefits	27	5	2
Deferred Benefits	19	3	2
Others	6	4	1

4.11: Years in Retirement

Majority of the retirees who were interviewed (84.78%) had retired in the last five years. Only 14% had been in retirement for over five years, 1.17% did not indicate the number of years they were in retirement.

Table 28: Years in Retirement

Number of years	Number of pensioners	Percentage
Less than 1	15	3.52%
1	57	13.35%
2	127	29.74%
3	89	20.84%
4	38	8.90%
5	36	8.43%
Over 5	60	14.05%
Not Indicated	5	1.17%
Grand Total	**427**	**100%**

4.12: Payment of Lumpsum Benefits

Majority of the pensioners (66.74%) received their lumpsum payment benefits through direct transfer (EFT), 31.15% received through cheque and 0.24% did not indicate how they received their benefits.

Table 29: Payment of Lumpsum Benefits

Mode of Payment	Number of Pensioners	Percentage
Cheque	133	31.15%
Cash	8	1.87%
Direct Transfer(EFT)	285	66.74%
Not Indicated	1	0.24%
Total	**427**	**100%**

4.13: Investment/Expenditure of the Lumpsum Payment

Most of the pensioners (34.89%) indicated that they used the lumpsum payment to pay school fees for their children, 23.19% invested in farming, 22.01% built or bought a house to live in, 20.37% invested in real estate, 19.7% invested in business and land, 11.1% deposited the money in a bank account to earn interest, 6.79% invested in shares and bonds, 6.09% repayment of loans/debts, 2.81% bought a car, 1.41% paid medical bills, 0.47% used for political campaigns and travelling, 0.23% were conned and other used for setting up consultancy firms, court cases etc. The expenditure of the lumpsum payment differed by region, most of the respondents from Nyanza (58.62%) used their lumpsum payment to pay school fees for their children while those from Central region invested in farming. The expenditure also differed by gender with most spending their lumpsum to pay schools, farming and building a house to live in. The women on the other hand spread out their expenditures and investments.

Table 30: Investment/Expenditure of the Lumpsum Payment

How did you invest/spend the lumpsum amount that was paid to you?	Male	Percentage	Female	Percentage	Grand Total	Percentage
Paid school fees for children	123	36.61%	26	28.57%	149	34.89%
Farming	82	24.40%	17	18.68%	99	23.19%
Built or bought a house to live in	73	21.73%	21	23.08%	94	22.01%
Real Estate Investment	65	19.35%	22	24.18%	87	20.37%
Business	69	20.54%	15	16.48%	84	19.67%
Land	70	20.83%	14	15.38%	84	19.67%
Deposited in Bank to earn interest	35	10.42%	12	13.19%	47	11.01%
Shares	18	5.36%	8	8.79%	26	6.09%
Payment of loans/debts	20	5.95%	6	6.59%	26	6.09%
Bought a car	10	2.98%	2	2.20%	12	2.81%
Medical bills	6	1.79%		0.00%	6	1.41%
Paid utilities	2	0.60%	2	2.20%	4	0.94%

How did you invest/spend the lumpsum amount that was paid to you?	Male	Percentage	Female	Percentage	Grand Total	Percentage
Treasury bills		0.00%	3	3.30%	3	0.70%
Transfer to personal scheme	3	0.89%		0.00%	3	0.70%
Consultancy firm	2	0.60%		0.00%	2	0.47%
Political campaigns	2	0.60%		0.00%	2	0.47%
Travelled/explore the world	2	0.60%		0.00%	2	0.47%
Court cases	1	0.30%		0.00%	1	0.23%
Conned	1	0.30%		0.00%	1	0.23%

Table 31: Investment/Expenditure of the Lumpsum Payment by Region

Investment/ expenditure	Central	Coast	Lower Eastern	Nairobi Metropolitan	Nyanza	Rift Valley	Upper Eastern	Western	Grand Total
Paid school fees for children	31.67%	32.50%	33.33%	15.63%	58.62.%	35.94%	28.57%	38.10%	34.89%
Farming	41.67%	5.00%	29.17%	13.54%	20.69%	21.88%	14.29%	42.86%	23.19%
Built or bought a house to live in	30.00%	22.50%	25.00%	19.79%	21.84%	20.31%	21.43%	16.67%	22.01%
Real Estate Investment	15.00%	22.50%	16.67%	29.17%	21.84%	14.06%	42.86%	7.14%	20.37%
Business	20.00%	15.00%	20.83%	21.88%	29.89%	12.50%	0.00%	14.29%	19.67%
Land	20.00%	15.00%	29.17%	14.58%	20.69%	21.88%	28.57%	21.43%	19.67%
Deposited in Bank to earn interest	10.00%	7.50%	29.17%	13.54%	11.49%	4.69%	14.29%	7.14%	11.01%
Shares	6.67%	5.00%	12.50%	9.38%	1.15%	6.25%	0.00%	7.14%	6.09%
Payment of loans/debts	6.67%	2.50%	0.00%	6.25%	6.90%	9.38%	0.00%	7.14%	6.09%
Bought a car	1.67%	7.50%	0.00%	2.08%	2.30%	4.69%	7.14%	0.00%	2.81%
Medical bills	1.67%	2.50%	4.17%	0.00%	2.30%	1.56%	0.00%	0.00%	1.41%
Transfer to personal scheme	0.00%	5.00%	0.00%	1.04%	0.00%	1.56%	0.00%	0.00%	0.94%
Treasury bills	0.00%	0.00%	0.00%	2.08%	0.00%	1.56%	0.00%	0.00%	0.70%
Paid utilities	0.00%	2.50%	0.00%	1.04%	0.00%	0.00%	0.00%	2.38%	0.70%
Consultancy firm	1.67%	0.00%	0.00%	1.04%	0.00%	0.00%	0.00%	0.00%	0.47%
Political campaigns	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.76%	0.47%
Travelled/explore the world	0.00%	2.50%	0.00%	0.00%	0.00%	1.56%	0.00%	0.00%	0.47%
Court cases	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.38%	0.23%
Conned	0.00%	0.00%	0.00%	0.00%	1.15%	0.00%	0.00%	0.00%	0.23%

Figure 3: Real Estate –Hostels (Maseno)

"The retiree took an early retirement and put up hostels in his land near Maseno University with his lump sum. He has 15 units going for 5,000 a month. His clients are university students whom he has a good relationship with".

Figure 4: Poultry Farming

Figure 5: Bee Keeping -Machakos

Figure 6: Cassava -Machakos

Figure 7: Pig Rearing -Rongai

4.14: Status of the Investments made with Lumpsum Payment

When the asked whether the investments made using the lumpsum payment were still in existence, majority of the respondents (77.8%) indicated that the investments were still in existence. In regards to the status of the investments, most of the respondents reported that the investments had either appreciated in value (28.81%), gave them a monthly profit/benefit (28.57%), or had broken even (14.29%). Some of the pensioners reported that they had either declared a loss (6.09%) or the investments had depreciated in value (4.68%). 17.56% of the respondents had not indicated the status of their investments.

Table 32: Existence of the Investments

Is the investment (s) that you made with your lumpsum still there?	No. of Respondents	Percentage
Yes	332	77.8%
No	30	7%
Not indicated	65	15.2%
Total	**427**	**100%**

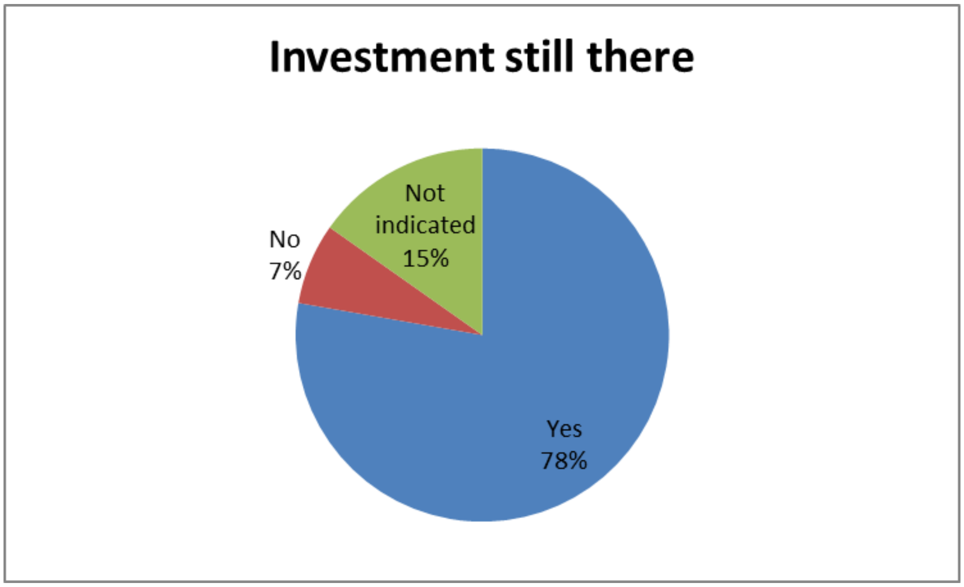

Table 33: Status of the Investments

Status of Investment	Number of Respondents	Percentage
Has appreciated in value.	123	28.81%
Give me monthly profit/benefit	122	28.57%
Has been able to break even	61	14.29%
It declared a loss	26	6.09%
Has depreciated in value	20	4.68%
Not indicated	75	17.56%
Total	**427**	**100.00%**

Figure 8: Stalled Tractor

Figure 9: Unfinished House

"Upon retirement, the retiree used the lumpsum to to build a house, purchase of a tractor and interlocking brick machine. The house is unfinished and hence is still putting up in the grass thatched house.

The tractor broke down and yet to be fixed. The tractor used to earn him Kshs. 8,000 daily by supplying water to other residents. The interlocking bricks machine also broke down and is also just lying iddle not generating any income"

Figure 9: Unfinished House

4.15: Monthly Income from Investments

The monthly income from the investments made from the lumpsum payments varied and it ranged from Kshs 360 to Kshs. 3 million. Out of those who indicated their monthly income from investments, majority of them (47.42%) earned a monthly income below Kshs. 20,000;

20.66% earned between 20,001 and 40,000; 8.45% earned between 40,001and 60,000; 4.69% between 60,001 and 80,000; 5.16% earned between 80,001 and 100,000; 9.86% earned between 100,001 and 200,000; 3.76% earned over 200,000.

Table 34: Monthly Income from Investments

Income Range (Kshs)	Number of Respondents	Percentage
Below 20,000	101	47.42%
20,001 - 40,000	44	20.66%
40,001 - 60,000	18	8.45%
60,001 - 80,000	10	4.69%
80,001 – 100,000	11	5.16%
100,001 – 200,000	21	9.86%
Over 200,001	8	3.76%
Total	**213**	**100%**

4.16: Pension

Majority of the respondents (76.35%) were receiving pension, 21.08% were not, 2.58% did not indicate. Majority of the respondents (71.17%) received a pension from the scheme, while 23.31% of the respondents had purchased an annuity. Only 4.29% had opted for an income drawdown and 1.23% of the respondents did not indicate. When asked how they received their pension, majority (95.71%) of them indicated that they received through direct transfers to their accounts, 1.23% through cheques, 0.92% through cash, 0.61% through Mpesa and 1.53% did not indicate.

Table 35: Receiving Pension

Do you receive pension?	Number of Respondents	Percentage
Yes	326	76.35%
No	90	21.08%
Not indicated	11	2.58%
Grand Total	**427**	**100.00%**

Table 36: Access of Benefits

	Number of respondents	Percentage
From the scheme	232	71.17%
As an annuity	76	23.31%
As draw down	14	4.29%
Not Indicated	4	1.23%
Grand Total	**326**	100.00%

Table 37: How they Received Benefits

How they receive Benefits	No of pensioners	Percentage
Direct Transfer to an Account	312	95.71%
Cheque	4	1.23%
Cash	3	0.92%
Mpesa	2	0.61%
Not indicated	5	1.53%
Total	**326**	**100.00%**

4.17: How the Monthly Benefits is spend

Majority of the respondents (85.58%) utilized their monthly benefits to purchase household goods, 45.09% of the respondents used it to pay school fees, 39.88% to pay medical bills/insurance, 15.64% spend on paying rent and 5.52% to repay loans. A small percentage utilized their benefit to purchase farm inputs, travelling, entertainment, paying rent, supporting relatives and the needy, purchase of shares, payment of wages and contributions to chamas.

Table 38: Utilization of benefits

Utilization of benefits	Male	Percentage	Female	Percentage	Grand Total	Percentage
Purchase of household goods	221	85.99%	58	84.06%	279	85.58%
Payment of school fees	125	48.64%	22	31.88%	147	45.09%
Payment of medical bills/Insurance	101	39.30%	29	42.03%	130	39.88%
Payment of rent	42	16.34%	9	13.04%	51	15.64%
Payment of loans	13	5.06%	5	7.25%	18	5.52%
Purchase of farm inputs	11	4.28%	2	2.90%	13	3.99%
Chamas/Sacco	2	0.78%	4	5.80%	6	1.84%
Wages	4	1.56%	1	1.45%	5	1.53%
Paid land rates and rent for business	2	0.78%	2	2.90%	4	1.23%
Servicing car	3	1.17%		0.00%	3	0.92%
Shares	2	0.78%	1	1.45%	3	0.92%
Research/travelling expenses	2	0.78%		0.00%	2	0.61%
Entertainment	1	0.39%	1	1.45%	2	0.61%
Support the needy/relatives	1	0.39%	1	1.45%	2	0.61%

The utilization of benefits by region differed slightly with most of them using the benefits to purchase household goods. Most respondent from Nyanza (73.91%) used the benefits to pay school fees.

Table 39: Utilization of Benefits by region

	Central	Coast	Lower Eastern	Nairobi Metropolitan	Nyanza	Rift Valley	Upper Eastern	Western	Grand Total
Purchase of house hold goods	91.18%	84.62%	90.00%	78.08%	91.30%	82.61%	75.00%	90.91%	85.58%
Payment of School fees	35.29%	48.72%	50.00%	27.40%	73.91%	32.61%	25.00%	51.52%	45.09%
Payment of medical bills/Insurance	47.06%	25.64%	20.00%	45.21%	55.07%	19.57%	50.00%	42.42%	39.88%
Payment of loans	14.71%	12.82%	5.00%	21.92%	18.84%	13.04%	8.33%	12.12%	15.64%
Payment of rent	8.82%	12.82%	0.00%	9.59%	2.90%	2.17%	0.00%	0.00%	5.52%
Purchase of farm inputs	2.94%	2.56%	5.00%	6.85%	2.90%	2.17%	0.00%	6.06%	3.99%
Chamas/Sacco	0.00%	0.00%	0.00%	4.11%	4.35%	0.00%	0.00%	0.00%	1.84%
Wages	0.00%	2.56%	0.00%	0.00%	0.00%	6.52%	0.00%	3.03%	1.53%
Paid land rates and rent for business	2.94%	0.00%	0.00%	1.37%	2.90%	0.00%	0.00%	0.00%	1.23%
Servicing car	2.94%	0.00%	0.00%	2.74%	0.00%	0.00%	0.00%	0.00%	0.92%
Shares	0.00%	2.56%	0.00%	0.00%	0.00%	2.17%	0.00%	3.03%	0.92%
Research/travelling expenses	0.00%	0.00%	0.00%	1.37%	0.00%	0.00%	8.33%	0.00%	0.61%
Entertainment	0.00%	2.56%	0.00%	1.37%	0.00%	0.00%	0.00%	0.00%	0.61%
Support needy/relatives	0.00%	2.56%	0.00%	1.37%	0.00%	0.00%	0.00%	0.00%	0.61%

4.18: Pension Increment

Most of the respondents (74.23%) who received pension indicated that were not getting any pension increments. For those who received pension increment, most of them (31.25%) were not aware how the increment was determined. For those who were aware, 27.50% reported that it was stipulated in the trust deed and rules, 15% reported that the increment was awarded at the trustees discretion, 10% indicated that the increment was inflation linked.

Table 40: Pension Increment

Pension Increment	**No of pensioners**	**Percentage**
Yes	80	24.54%
No	242	74.23%
Not indicated	4	1.23%
Total	**326**	**100.00%**

Table 41: How the Pension Increment is Determined

How Pension Increment is Determined?	Number of Respondents	Percentage
Do not know	25	31.25%
Stipulated in the trust deed	22	27.50%
At Trustees discretion	12	15.00%
Inflation Linked	8	10.00%
Determined by annuity	3	3.75%
Workers union	3	3.75%
Valuation of scheme investments/profit	2	2.50%
Not Indicated	5	6.25%
Total	**80**	**100.00%**

4.19: Information on Retirement Benefits Income

Most of the respondents (43.79%) indicated that they knew about their retirement income through the employee's guide, 17.80% from the personnel/pension officer, 16.16% from the benefit statement, 4.45% from the benefits newsletter, and 3.75% from a colleague. 4.92% of the respondents indicated that they did not know. The findings shows that most members (employees) don't pay attention to retirement benefits issues. It is a requirement that members are issued with their benefits statements at least annually. It was expected that the source of information of their retirement income would have been the benefits statement.

Table 42: Knowledge of Retirement Benefits Income

Source of Information	Number of Respondents	Percentage
Employee's guide	187	43.79%
Personnel section/Pension Officer	76	17.80%
Benefits Statements	69	16.16%
Others (SMS, Seminars etc)	22	5.15%
Benefit Newsletter	19	4.45%
Colleague	16	3.75%
I did not know	21	4.92%
Not Indicated	17	3.98%
Grand Total	**427**	100.00%

4.20: Expenses

The respondents were to indicate how much they spend on the various expenditure items and the results showed that on average, the highest expenditure was payment of school fees at Kshs. 89,011.08; this was followed by repayment of loans at Kshs. 36,366.21 and purchase of hold goods at Kshs. 15,466.46; payment of rent at Kshs.15,503.49 and payment of medical bills at Kshs. 11, 401.73. The high expenditure on school fees can be attributed to fact that most of the retirees had children/dependants who were below 18 years.

Table 43: Average Expenditure

Expenditure	Average amount spend (Kshs.)
Purchase of household goods	15,466.46
Payment of medical bills/insurance	11,401.73
Payment of school fees	89,011.08
Payment of rent	15,503.49
Payment of loans	36,366.21
Others (chamas, fuel, internet/phone bills, donations, entertainment)	28,899.66

4.21: Other Sources of Income other than Retirement Benefits

74% of the pensioners indicated that they had other sources of income other than retirement benefits, 21.78% of the retirees indicated that they had no other source of income. The other sources of income reported include income from business, farming, real estate, dividends, interest, part time jobs and inheritance. When asked to rank the sources of income according to their importance most of the retirees (31.6%) ranked retirement benefit as the most importance source of their retirement income.

Table 44: Other sources of income

	No of pensioners	Percentage
Yes	316	74.00%
No	93	21.78%
Not indicated	18	4.22%
Total	**427**	**100.00%**

Table 45: Sources of Income

	Source of Income	Average Amount
1	Retirement Benefits	38,984
2	Business	62,725
3	Real Estate/Property	63,467

	Investment	
4	Farming	40,701
5	Dividend Income from Shares	30,127
6	Interest income & other deposits	58,563
7	Part time jobs	92,030
8	Inheritance capital	56,667
9	Others	181,415

Table 46: Ranking the most four important source of income

Ranking	Retirement Benefits	Business	Real Estate/Property Investment	Farming	Dividend Income from Shares	Interest income & other deposits	Part time jobs	Inheritance capital	Others
1	135	46	32	47	2	6	12	2	7
2	53	42	35	59	7	4	9	2	4
3	22	10	11	22	12	4	3	0	3
4	4	2	3	10	6	1	0	0	1
5	0	0	0	0	1	0	0	0	0
6	0	0	0	0	0	0	0	0	0
7	0	0	0	0	0	0	0	0	0
8	0	0	0	0	0	0	0	0	0
9	0	0	0	0	0	0	0	0	0
	1		3	2	4				

4.23: Importance of Retirement Savings

When asked whether saving for retirement was worthwhile, 96.02% of the retirees indicated that it was a worthwhile undertaking with majority (97.80%) being females. Only 3.28% indicated that it was not worthwhile. Those who indicated that it was worthwhile saving noted that they were able to receive a regular income to meet their day to day needs such as paying medical bills and general upkeep. They also noted that the retirement benefits income formed a good source of capital for investment. On the other part, those who indicated that it was not worthwhile, they noted that they joined the scheme late and never made meaningful savings and therefore got little retirement income. Other noted that they had not invested their lumpsum payment well.

Table 46: Importance of Savings

	Number of pensioners	Pensioners percentage
Yes	410	96.02%
No	14	3.28%
Not indicated	3	0.70%
Total	**427**	**100.00%**

Table 47: Importance of savings by Gender

	Male	Female	Grand Total
Yes	95.54%	97.80%	96.02%
No	3.57%	2.20%	3.28%
Not Indicated	0.89%	0.00%	0.70%
Grand Total	**100.00%**	**100.00%**	**100.00%**

Table 48: Reasons why saving for Retirement was Worthwhile

Reasons why saving for Retirement was Worthwhile	No of pensioners	Percentage
Regular Income for upkeep/medical bills/	242	59.02%
Money for investment	79	19.27%
Secures retirement e.g. house, car, land, paid fees.	61	14.88%
Paid loan	8	1.95%
It will have been misused	3	0.73%
Enabled me quit employment	1	0.24%
Can get loan from the Sacco	1	0.24%
We don't know what the future holds	19	4.63%

Table 49: Reasons why Saving for Retirement was not Worthwhile

Reasons why saving for Retirement was not Worthwhile	No of pensioners	Percentage
Join scheme when was late	2	14.29%
Got little money	1	7.14%
Want to get lump sum	1	7.14%
Didn't invest well	1	7.14%
Not indicated	9	64.29%

4.24: Most shopped household goods

The following was indicted as the most shopped household goods; sugar, cooking oil, flour, groceries, rice, toiletries, milk, cereals, meat and bread among others. Most of the retirees did their shopping in supermarkets (50.54%), kiosks (20.09%) and open market (19.87%). The top three supermarkets shopped by retirees were Tuskys, Nakumatt and Naivas supermarkets.

Table 50: Mostly shopped household goods

	Household Goods	**Percentage**
1	Cereals	3.60%
2	Toiletries	8.73%
3	Groceries	10.64%
4	cooking oil	13.58%
5	Gas	1.42%
6	Flour	13.20%
7	Rice	8.89%
8	Sugar	15.44%
9	Utilities	3.33%
10	medicine	0.27%
11	Meat	3.60%
12	Milk	6.11%
13	Bread	2.51%
14	Eggs	0.22%
15	Paraffin	1.36%
16	Charcoal	0.55%
17	Drinks	2.35%
18	Tea Leaves	2.02%
19	Salt	2.18%

Table 51: Shopping Places

		Percentage
1	Supermarket	50.54%
2	Kiosk	20.09%
3	Wholesale shops	8.86%
4	Open Market	19.87%
5	others	0.65%

4.25: Suggestions on Government Assistance

The respondents were asked to indicate how they would prefer the government to assist them, and the most of them (29.27%) indicated that the government should improve the health cover benefit, 26.46% indicated that their pension should be increased because of inflation, 14.99% noted that the government should reduce the tax burden on retirees.

Table 52: Suggestions

How Retirees should be assisted by government	Number of Respondents	Percentage
Improve health cover benefit (Inpatient & outpatient)	125	29.27%
Increase pension because of inflation	113	26.46%
Reduce tax burden	64	14.99%
Initiate programs to assist pensioners	63	14.75%
Reduce administrative cost	42	9.84%
Underfunding by sponsor	41	9.60%
Have benefits for non pensionable	38	8.90%
Advice banks to continue giving loans –Provision of loan facilities which are interest free	21	4.92%
Make follow up on investment of pension scheme	18	4.22%
Assist pay school fees for their children	16	3.75%
Review formula for calculating pension	14	3.28%
Benefits should not be paid in lump sum	12	2.81%
Prompt payment of pension	11	2.58%
Subsidize prices of goods & services for pension	8	1.87%
Employment opportunity for children	8	1.87%
Housing scheme	7	1.64%
Merge NSSF with pension scheme	6	1.41%
Reduce corruption	6	1.41%
Access loan when fired	5	1.17%
Evaluate retirees	5	1.17%
Review pension to be paid yearly	4	0.94%
Teachers pension be increased	1	0.23%
Pay loans	1	0.23%
Early training	1	0.23%
Insurance to take care of pensioners	1	0.23%

4.26: What they miss most from the working days

The survey showed that some of the retirees missed friendships in the workplace, various fringe benefits and perks. Others also lost their status especially those who were in the managerial and influential positions. Most of the retirees indicated that they missed the connection with colleagues (44.03%) while 32.32% of the retirees indicated that miss nothing from their working days, 12.65% of them missed working, 12.18% missed income and others missed their lifestyles, travelling, training and office tea.

Table 53: What they miss most from your working days

	What do you miss most from your working days?	Number Of Respondents	Percentage
1	Loosing connection with colleagues	188	44.03%
2	Nothing	138	32.32%
3	Miss working/time management	54	12.65%
4	Income/allowance	52	12.18%
5	Work related benefits e.g. medical cover, lifestyle	24	5.62%
6	Travelling	13	3.04%
7	Tea	3	0.70%
8	Training	2	0.47%

In terms of gender, most male respondents missed losing connection with colleagues while female on the other hand missed nothing. Majority of single, divorced, separated and widow/ers miss losing connection with colleagues.

Table 54: What they miss most from your working days by Gender

What do you miss most from your working days?	Male	Percentage	Female	Percentage	Grand Total
Nothing	103	30.65%	35	38.46%	138
Loosing connection with colleagues	150	44.64%	38	41.76%	188
Income/allowance	43	12.80%	9	9.89%	52
I miss working/time management	48	14.29%	6	6.59%	54
Travelling	11	3.27%	2	2.20%	13
Benefits	19	5.65%	7	7.69%	26
Training	2	0.60%		0.00%	2
Tea	2	0.60%	1	1.10%	3

Table 55 : What they miss most from your working days by Marital Status

What do you miss most from your working days?	Single	Married	Divorced	Separated	Widow/er	Not Indicated	Grand Total

Nothing	23.53%	33.15%	16.67%	50.00%	26.92%	50.00%	32.32%
Loosing connection with colleagues	58.82%	42.86%	66.67%	50.00%	50.00%	0.00%	44.03%
Income/allowance	11.76%	12.13%	0.00%	25.00%	7.69%	100.00%	12.18%
I miss working/time management	5.88%	13.21%	16.67%	0.00%	7.69%	50.00%	12.65%
Travelling	5.88%	2.70%	33.33%	0.00%	0.00%	0.00%	3.04%
Benefits	11.76%	5.12%	0.00%	0.00%	15.38%	50.00%	6.09%
Training	0.00%	0.54%	0.00%	0.00%	0.00%	0.00%	0.47%
Tea	0.00%	0.81%	0.00%	0.00%	0.00%	0.00%	0.70%

4.27: Assistance by Children

When the respondents were asked whether the children should assist them in retirement, most of the retirees (59.48%) said no, but 33.96% said yes. 61.61% of the male respondents and 52.65% of female said that their children didn't have to assist them. Majority of the respondents (52.73%) who had primary education indicated that the children should assist them while majority of the respondents (75.26%) who had university education indicated that the children should not assist them. Those who were in favour of assistance by children noted that their incomes were not enough to meet all the expenses, others noted that they deserve to be assisted because they brought them up and others saw the children as a form of investment. Those who were of the opinion that children should not assist noted that they were independent financially since they had saved for retirement. Others noted that their children needed to provide for their families while other noted that their children did not have jobs.

Table 56: Children Assistance in retirement

Should your children assist you in your retirement?	Number of respondents	Percentage
Yes	145	33.96%
No	254	59.48%
Not sure	21	4.92%
Not Indicated	7	1.64%
Total	**427**	**100.00%**

Table 57: Children Assistance in retirement by gender.

Should your children assist you in your retirement?	Male		Female		Grand Total	
Yes	109	32.44%	36	39.56%	145	33.96%
No	207	61.61%	47	51.65%	254	59.48%
Not sure	17	5.06%	4	4.40%	21	4.92%
Not Indicated	3	0.89%	4	4.40%	7	1.64%

Grand Total	336	100.00%	91	100.00%	427	100.00%

Table 58: Children Assistance in retirement by level of education

Row Labels	Primary school	High school	College/ Polytechnic	University	Professional course	(blank)	Grand Total
Yes	52.73%	39.88%	28.28%	20.62%	0.00%	0.00%	33.72%
No	41.82%	54.17%	60.61%	75.26%	100.00%	0.00%	58.08%
Not sure	5.45%	4.76%	6.06%	4.12%	0.00%	0.00%	4.92%
(blank)	0.00%	1.19%	5.05%	0.00%	0.00%	100.00%	3.28%
Grand Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Table 59: Why Children should assist

	Why should children assist?	Number of Respondents	Percentage
1	The income is not enough to meet all expenses	29	20.00%
2	I brought them up	4	2.76%
3	If they are willing and can afford	47	32.41%
4	Pay fees to siblings in school	3	2.07%
5	Cater for medical fees	5	3.45%
6	Sign of appreciation	8	5.52%
7	To develop sense of responsibility	5	3.45%
8	They are investments	24	16.55%
10	They have good jobs/Adequate income	4	2.76%
11	Aging	4	2.76%
12	Help finish the projects	2	1.38%
13	In difficulty only	4	2.76%

Table 60: Why Children should not assist

		counts	
1	Independent & financially stable	44	17.32%
2	They save for future	60	23.62%
3	They don't have jobs	22	8.66%
4	Provide for their families/commitments	44	17.32%
5	They lack adequate disposable income	40	15.75%
6	If they wish/once in awhile	21	8.27%
7	Work as team	2	0.79%

4.28: What they would do differently if a member again?

The respondents were asked what they would have done differently if they would be a member a scheme again and majority of the retirees (65.11%) noted that they would save more, invest early (6.56%), source for the best insurance policy (2.81%), save early (2.34%). others noted that they would attend awareness retirement training/seminars, join a medical scheme early.

Table 61: What would you do differently if you were to be a member of scheme again

	What they would do differently	Number of Pensioners	Percentage
1	Save more	278	65.11%
2	Invest early	28	6.56%
3	Join a provident fund scheme	16	3.75%
4	Source for best insurance policy	12	2.81%
5	Start saving early	10	2.34%
6	Join a pension scheme	4	0.94%
7	Fight for right of members	3	0.70%
8	Join a medical scheme early	3	0.70%
9	Improve life quality	3	0.70%
10	Attend awareness forums/trainings	3	0.70%
11	Regularly check my benefits statement	3	0.70%
12	Join NSSF voluntary	2	0.47%
13	Learn how to calculate benefits	1	0.23%
14	I won't buy an annuity	1	0.23%
15	Not indicated	100	23.42%

4.29: Life in retirement

51.99% of the respondents noted that they are generally happy, 38.88% noted that they were enjoying life, 25.29% are have strong sense of purpose in life , but 15.22% of the retirees noted that the daily activities are becoming difficult while 12.88% noted that they had troubles making ends meet and 1.41% felt isolated and lonely. There was no major difference in the rating of life in retirement by gender. Both male and female were generally happy in retirement. In terms of region, the retirees/pensioners from coast region were generally happy compared to other regions. The retirees from Rift valley and Western were less happy compared to other regions.

Table 62: Life in Retirement by gender.

How would you rate your life in retirement?	Male	Percentage	Female	Percentage	Grand Total	Percentage
I am generally happy person	175	52.08%	47	51.65%	222	51.99%
I am enjoying my life	129	38.39%	37	40.66%	166	38.88%
I have strong sense of purpose in life	81	24.11%	27	29.67%	108	25.29%
Every day activities are becoming difficult	56	16.67%	9	9.89%	65	15.22%
I am having trouble making ends meet	47	13.99%	8	8.79%	55	12.88%
I am isolated and lonely	5	1.49%	1	1.10%	6	1.41%

Table 63: Life in Retirement by region

How would you rate your life in retirement?	Central	Coast	Lower Eastern	Nairobi Metropolitan	Nyanza	Rift Valley	Upper Eastern	Western	Grand Total
I am generally happy person	58.33%	67.50%	58.33%	52.08%	52.87%	40.63%	50.00%	40.48%	51.99%
I am enjoying my life	56.67%	55.00%	37.50%	38.54%	29.89%	39.06%	28.57%	21.43%	38.88%
I have strong sense of purpose in life	31.67%	40.00%	25.00%	28.13%	22.99%	20.31%	21.43%	9.52%	25.29%
Every day activities are becoming difficult	16.67%	20.00%	20.83%	8.33%	18.39%	21.88%	14.29%	4.76%	15.22%
I am having trouble making ends meet	10.00%	15.00%	29.17%	8.33%	13.79%	4.69%	7.14%	28.57%	12.88%
I am isolated and lonely	3.33%	0.00%	4.17%	0.00%	0.00%	0.00%	7.14%	4.76%	1.41%

4.30: Retirement Planning Sensitization

The respondents were asked whether they had ever attended a retirement planning training and 63.47% of the respondents indicated that they had ever attended a retirement planning training while 33.96% had never attended the retirement planning training. When asked who organized the training, 61.25% of those who had attended the training indicated that the employer had organized the training, 15.50% indicated that they had attended the training organized by the Retirement Benefits Authority, 9.59% indicated that the training had been organized by service providers.

Table 64: Retirement Planning Sensitization

	Number of Respondents	Percentage
Yes	271	63.47%
No	145	33.96%
Not indicated	11	2.58%
Total	**427**	**100.00%**

Table 65: Trainer/Facilitator

Trainer/Facilitator	Number of Respondents	Percentage
RBA	42	15.50%
Employer	166	61.25%
Service provider	26	9.59%
RBA/Employer	20	7.38%
RBA/Service Provider	2	0.74%
RBA/Employer/Service Provider	3	1.11%
Employer/Service Provider	4	1.48%
Not Indicated	8	2.95%
Grand Total	**271**	100.00%

4.31: Adequacy of the Training

Majority (69%) of those who had attended the retirement planning training indicated that the training was adequate while 29.89% indicated that the training was not adequate. For those who felt that the training was adequate they noted the training prepared them psychologically and mentally on what would come ahead in retirement. They also noted that the training enabled them to learn about investments and financial planning. On the other hand, those who felt that the training was not adequate noted that the training should have been done earlier in employment; the duration period was short; the training had no practical investment ideas/plans; and the training was not interactive. On the impact of the training, majority (79.34%) of those who had attended the retirement training indicated that the training had an impact in their retirement. They noted that the training enabled them to: invest well and make wise retirement decisions. For the respondents who felt that the training had no impact in their retirement 27.45% felt that the time was so short to implement the lessons learnt; 17.65% felt that there was no additional knowledge that was gained from the training; 15.69% noted that they already knew about retirement planning; 7.84% were prepared for retrenchment.

Table 66: Was the training adequate?

	Number of Respondents	Percentage
Yes	187	69.00%
No	81	29.89%
Not Indicated	3	1.11%
Grand Total	**271**	100.00%

Table 67: Reasons why the training was adequate

	Reasons why the training was adequate	Number of Respondents	Percentage
1	Prepared them mentally and psychologically on what's ahead/Came in time	98	52.41%
2	Thought them about saving for retirement	23	12.30%
3	We share with members from different scheme	3	1.60%
4	Learned about investment	53	28.34%
5	Lifestyle after retirement	18	9.63%
6	Retired without loan	2	1.07%
7	Adequate training	13	6.95%
8	Financial planning	2	1.07%

Table 68: Reasons why the training was not adequate

	Reasons why the training was not adequate	Number of Respondents	Percentage
1	Training should have come early/too short	45	55.56%
2	Training period was not practical	19	23.46%
3	No practical investments ideas/plans	7	8.64%
4	It wasn't interactive	9	11.11%
5	Insurance company wanted to con them	1	1.23%
6	Training wasn't regular	1	1.23%
7	Costly and no sufficient training	2	2.47%

Table 69: Impact of Training in Retirement

	Number of Respondents	Percentage
Yes	215	79.34%
No	51	18.82%
Not Indicated	5	1.85%
Total	**271**	100.00%

Table 70: Reasons for Impact

	Yes	Number of Respondents	Percentage
1	Invested well	71	33.02%
2	Prepared them mentally/psychologically	62	28.84%
3	Make wise decision for retirement	49	22.79%
4	Budgeting pension well	43	20.00%
5	Time management	2	0.93%
6	Enable him go retirement early	3	1.40%
7	Changed lifestyle	7	3.26%
8	sense of independent	1	0.47%

Table 71: Reasons for No Impact

	Reasons for No Impact	Number of Respondents	Percentage
1	I already knew about retirement	8	15.69%
2	Time was short to implement them	14	27.45%
3	No knowledge gained from training	9	17.65%
4	Prepared for retrenchment	4	7.84%
5	Little was done to improve the scheme	2	3.92%
6	No money to invest	1	1.96%
7	Too expensive	1	1.96%
8	Employed	2	3.92%

4.32: Challenges that were faced by the schemes

The respondents were asked to list some of the challenges that were faced by their schemes and they noted the following:

- Lack of transparency and inadequate dissemination of information
- Irregularities and delay in payment of benefits
- Non remittance of contributions
- Low returns
- Medical cover not included
- Corruption and imprudent in investments
- Missing/misplacement of files
- Poor follow up of retirees/pensioners – Poor customer relations

4.33: What Retirees/Pensioners liked about their Previous Schemes

The respondents were asked about what they liked about the previous schemes and they noted the following:

- Guaranteed benefits to next of kin
- Regular and prompt payment of benefits
- Provision of benefits statement
- Tax incentives
- Employer contribution
- Stability and prudent management of the scheme
- Good customer care
- Medical Cover

4.34: Proposed Changes

The respondents were asked to propose changes for the retirement benefit sector and the following suggestions were made:

- All employees should be enrolled into a scheme –Auto enrollment

- There is need for more awareness and public education in financial management
- There is need for medical cover for retirees/pensioners
- There is need for introduction of pensions in the school curriculum
- There is need for more follow up surveys on retirees/pensioners
- There is need to ensure pension increment
- There is need to increase the mandatory pension contributions
- There is need to avoid involving insurance
- There is need to abolish tax on benefits
- There is need for retirement age to be increased
- There is need to reduce retirement age to create job opportunities for the youth
- There is need to organize and hold retirees/pensioners forums
- There is need for the Retirement Benefits Authority to devolve – Open branches in other parts of the country.

4.35: Challenges experienced While Receiving Benefits

The major challenge which the respondents faced was delay in payment of their benefits which constitutes 11.24% of total respondents. Unclear deduction and miscalculation of benefits constituted 3.51% and 2.11% as key challenges. Other challenges faced by the retirees while receiving their benefits are listed in the table below.

Table 72: Challenges experience while receiving benefits

What challenges if any have you experienced receiving your benefits?	Number of Respondents	Percentage
Delay in payment of benefits	48	11.24%
Unclear deduction	15	3.51%
Miscalculation/lack of transparency	9	2.11%
Inconsistency in monthly payment	5	1.17%
Not receiving benefits after payment	4	0.94%
Lack of a medical cover	3	0.70%
Underpayment	3	0.70%
Non remittance of contribution to the scheme	2	0.70%
was given in two portion	1	0.23%

5.0 Summary and Conclusion

The sixth pensioner's survey was carried out in the months of February 2017 to April 2017. The sample was drawn from the list of retirees who had retired in the last five years, provided by the registered schemes administrators and internal administrators. A total of 427 respondents who were members of different schemes and residing in different regions were interviewed. The survey revealed varied and mixed results in the lives of the retirees/pensioners. Some of the retirees/pensioners were quite successful and in some cases, they were doing better than when they were in employment. Others on the other hand, were struggling with life and could barely make ends meet. The retirees were engaged in various economic activities ranging from farming, business, real estate, post retirement employment, to those who were doing nothing. It was evident that at retirement, lives of the retirees had taken different turns; either, positively or negatively depending on how prepared the retiree was.

Most of the retirees who were sampled and interviewed were male (78.7%) compared to 21.3% who were female, implying that the labour market was skewed. Similarly, most of the respondents (22.5%) resided in the Nairobi metropolitan area and in some cases they crisscrossed between the up-country homes and urban homes, mainly Nairobi. This may be attributed to the fact most of the employees spent most of the lives in urban areas mostly Nairobi and most of them had built homes and therefore preferred to spend most of their times in the Nairobi metropolitan area. This may also be attributed to the fact that employment and other services are skewed to urban areas, mostly major towns and cities.

The survey also revealed that there is high dependency on the retirees. Majority of the retirees (83.8%) indicated that they had dependants who depended on them for support who were either their own children, grandchildren or relatives. 47 percent (202) of the respondents had dependants below 18 years who were their own children. This can be attributed to the fact that some of the retirees got married to second wives or re-married after retiring. Similarly, most of the retirees had dependants over 25 years who were still dependent on them for support. This may be explained by the fact that there is high unemployment rate currently in Kenya and therefore most youths are unable to get jobs immediately after completing their college education. 8.2 percent (35) of the respondents were taking care of their grandchildren and 1.2 percent (5) were taking care of orphans. The high dependency of the retirees implies that their retirement income is quite constrained. Similarly, most retirees (34.89%) who had received lumpsum payment indicated that they used it to pay school fees for their children. The more the number of dependents the retiree have the more likely the costs and responsibilities incurred by the retiree. This would also likely to impact negatively their fiscal wellbeing. However, the dependents on the other hand may contribute to companionship and psychological wellbeing of the retiree and hence may not be left lonely and isolated.

Most retirees were engaged in various economic activities in retirement in order to make ends meet or to supplement their retirement benefit income. A majority (52%) were engaged in farming activities while 36.5% were engaged in business. 14% of the respondents were engaged in post-retirement employment. The retirees who had received lumpsum payment utilized it for various expenses and investments. 23.19% of the retirees who had received lumpsum payment invested in farming, 22% built or bought a house to live in, 20.4% invested in real estate, 19.7% invested in business and land, 11.1% deposited the money in a bank account to earn interest, 6.1% invested in shares and repayment of loans/debts, 2.81% bought a car, 1.41% paid medical bills, 0.47% used for political campaigns and travelling , 0.23% were conned and other used for setting up consultancy firms, court cases, investment in treasury bills. However, for those who had made investment, when asked whether the investments made using the lumpsum payment were still in existence, majority of the respondents (77.8%) indicated that the investments were still in existence. In regards to the status of the investments, most of the respondents reported that the investments had either appreciated in value, gave them a monthly profit/benefit or they had broken even. Others on the other hand, reported that they had either declared a loss or the investments had depreciated in value.

In terms of the retirees happiness and satisfaction in retirement, 51.99% of the retirees noted that they were generally happy; 38.88% noted that they were enjoying life, 25.29% are have strong sense of purpose in life, but 15.22% of the retirees noted that the daily activities are becoming difficult while 12.88% noted that they had troubles making ends meet and 1.41% felt isolated and lonely. A cursory analysis also shows that the past salary, investment income and the amount of monthly pension affect the perception of life in retirement. Those who had higher past salaries in most cases had higher investment income and monthly pension and they were generally happy, enjoying their lives and had a strong purpose for in their lives. The survey also showed that some of the retirees missed friendships in the workplace, various fringe benefits and perks. Others also lost their status and influence especially those who were in the managerial and influential positions. Most of the retirees also indicated that they missed the connection with colleagues (44.03%) while 32.32% of the retirees indicated that miss nothing from their working days, 12.65% of them missed working, 12.18% missed income and others missed their lifestyles, travelling, training and office tea.

6.0 Recommendations

Based on the findings the following recommendations are proposed:

- **Post Retirement Medical Cover**: The schemes should be encouraged to establish and operationalize post-retirement medical schemes so as enable the members save for medical cover in retirement. The Authority therefore needs to fast track the development of the post-retirement medical scheme guidelines to operationalize regulation 14(2A) of the Retirement Benefits (Occupational Retirement Benefits Schemes) regulations and to facilitate the establishment of the same by schemes. There is need to also encourage and incentivize the insurance sector to develop innovative products such as medical cover for retirees which are in-built in the annuity products. There is need for schemes to partner with National Hospital Insurance Fund (NHIF) to come with products suitable for retirees especially those who had consistently contributed during their working lives.

- **Sensitization of members on retirement planning and entrepreneurship**: in order to ensure that members are cushioned in retirement, there is need to sensitize them early in employment on the need to save for retirement. The sensitization programmes should be customized to suit the various age cohorts and sectors. Similarly, there is need to sensitize them on financial planning and entrepreneurial skills. Members should not only invest for sentimental values. Counselling should also form part of the sensitization.

- **Preservation of Benefits**: the survey revealed most of the respondents accessed their benefits whenever they changed jobs. Access of benefits before retirement adversely affects the adequacy of benefits in retirement and it defeats the purpose for saving for retirement. In order to address the issue of adequacy of benefits, there is need to amend the regulations to preserve the benefits until the early retirement age.

- **Automatic Enrolment**: Although most retirees worked for longer periods, the period of contribution to schemes were shorter owing to the various eligibility requirements. There is therefore need to either auto-enroll members or members be enrolled in schemes immediately they are employed without any additional qualification requirements.

- **Additional Voluntary Contribution (AVC):** Members needs to be encouraged to make additional voluntary contributions and hence appropriate incentives should be put in place for example employers should be incentivize so as to make matching contributions for members who make additional voluntary contributions.

- **Pension increment:** The schemes should provide clear provisions for the pension increments and adequately sensitize members.

- **Taxation:** The taxation of retirement benefits needs to be simple and easily understood. The tax deductible contribution of Kshs. 20,000 per month has also been in force for a long period yet salaries have been increasing as the economy grows. In order to encourage people to save for retirement and also members to make additional voluntary contributions, there is need to increase the tax deductible contributions and also incentivize employers who make matching contributions for its employees who make additional voluntary contributions. The tax exemption on pension payment also needs to be reduced from the current sixty five (65) years to the 60 years match the normal retirement age for most schemes.

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