



PSSF Investment Income Jumps 155pc as Fund Value Reaches Ksh142.2 Billion

PSSF partners with Police Commission for pension training in seven counties



Demystifying ERP Technology and its Role in the Success of the Pension Industry



Brighter Future in Public Service Pension Reforms in Kenya



PSSF
PUBLIC SERVICE
SUPERANNUATION FUND
Empowering Futures



Vision

“A trusted retirement benefits provider”

Mission

“To collect contributions, optimally invest and pay benefits to scheme members and their beneficiaries sustainably through sound financial, good governance and risk management policies in pension fund administration”

Core Values

- Responsiveness
- Independence
- Fairness
- Transparency and accountability
- Integrity
- Teamwork

PUBLIC SERVICE SUPERANNUATION FUND

HOW TO ACCESS YOUR ACCOUNT STATEMENT USING USSD AND WEB PORTAL LINK

WEB PORTAL LINK

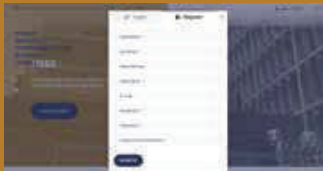
>>Visit the web portal link below and click

<https://members.psss.or.ke/>

>>Select Login or register tab.



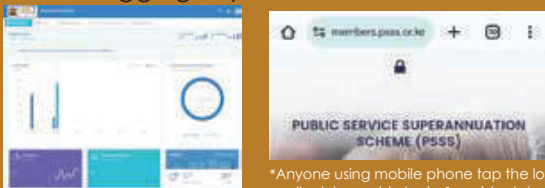
>>Register if you are first time user



>>Login if you have already register as below;



>>After Logging in you will see below



>>Once logged in look for a tab written statement, then click the statement part and you will be able to see the below statements.



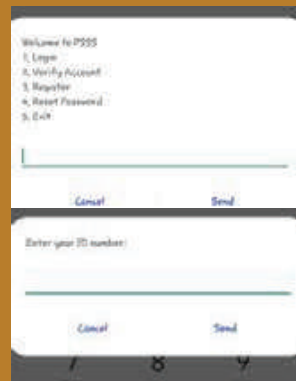
1. **Contribution Member statement** – this one only shows contribution that has been received from your employer from 1st January 2021 to date. – In case of any queries do not hesitate to reach out to the below contacts

2. **Annual member benefit statement** – This one will give you a comprehensive statement with opening balance, contribution for that financial audited year, interest component and on the bottom line your final member benefit balances.

USING USSD *378#

>>Simply dial *378# and follow the prompts.

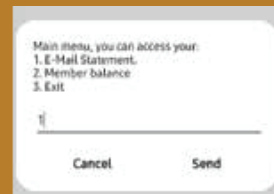
>>First prompt as a first time user you must register. So you will select option no. 3 and proceed to register



>>If you have already registered, you will go to option no. 1 and login with your username and Password.

>>Then you will be able to select option for statements, and you can be able to.

1. Download your annual statement by putting your email address or
2. View balance which is a combination of your Employee 7.5% Employee + 15% Employer + Interest earned on the contribution.



**For any further inquiries, contact us on
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Mr Ndiku Muuo
Trustee



Wicks Njenga
Trustee

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Word from the Chair

Dear PSSF Members,

Welcome to the inaugural PSSF newsletter

As we launch the inaugural edition of our PSSF newsletter, I am pleased to reflect on our progress and the path ahead. This newsletter marks an exciting milestone for the Fund, and we look forward to using it as a platform to keep you informed, engaged, and connected to the Fund's activities.

I am pleased to report that PSSF has sustained robust financial performance. Our assets under management increased significantly, bolstered by prudent investment strategies that align with our long-term goals of stability and growth. Member contributions in 2023/2024 reached Ksh 44.70 billion, while our investment income grew substantially to Ksh14.05 billion. The Fund's value increased to Ksh142.22 billion, reflecting our commitment to safeguarding and growing members' assets.

At the heart of PSSF is our dedication to corporate governance. Our Board of Trustees is steadfast in upholding the principles of transparency, accountability, and integrity in all our actions. We are fortunate to have a diverse team of experienced professionals committed to enhancing the Fund's operational strength and serving the interests of our members.

As Chairman, I am honored to represent a pension scheme that plays such a vital role in securing the futures of public servants across Kenya. Our commitment is unwavering—to support our members both during their years of service and well into their retirement.

Looking forward, we are excited to continue building on our progress, setting the foundation for long-term stability and growth for all PSSF members. As we enter this next phase, we are focused on innovation, sustainable growth, and delivering value that meets the evolving needs of our community.

We also recognize the importance of transparency and communication, and this newsletter is part of our ongoing effort to keep you updated on Fund developments. I encourage you to read through this edition and reach out if you have any questions or feedback.

Thank you for your continued support. Together, we are building a strong and secure future for all of our members.

Hon Wycliffe W. Wangamati

Chairman- PSSF



From the CEO's Desk

Welcome to the inaugural edition of the Public Service Superannuation Fund newsletter. This milestone marks a new chapter in our communication with our members and stakeholders.

As we publish this first issue, we reflect on the foundation of our mission: to collect contributions, optimally invest and pay benefits to scheme members and their beneficiaries sustainably through sound financial, good governance and risk management policies in pension fund administration

At PSSF, we understand that retirement is not just about the end of a career but about the promise of a secure and dignified future. This newsletter is a testament to our commitment to keeping you informed, inspired, and empowered as we navigate this journey together.

This publication will serve as a platform to:

- 1. Communicate Key Developments:** We aim to keep you updated on the latest news, milestones, and strategic initiatives within the Fund.
- 2. Foster Financial Literacy:** By sharing insights on pensions, investments, and retirement planning, we hope to empower you to make informed decisions about your future.
- 3. Celebrate Our Community:** Through member stories and highlights of our partnerships, we will showcase the people and collaborations that drive our success.

As we celebrate the launch of this newsletter, we are also reminded of the challenges and opportunities that lie ahead. The global economic environment continues to evolve, presenting both risks and opportunities for growth. At PSSF, we remain steadfast in our mission to navigate these dynamics responsibly, always prioritizing the best interests of our members.

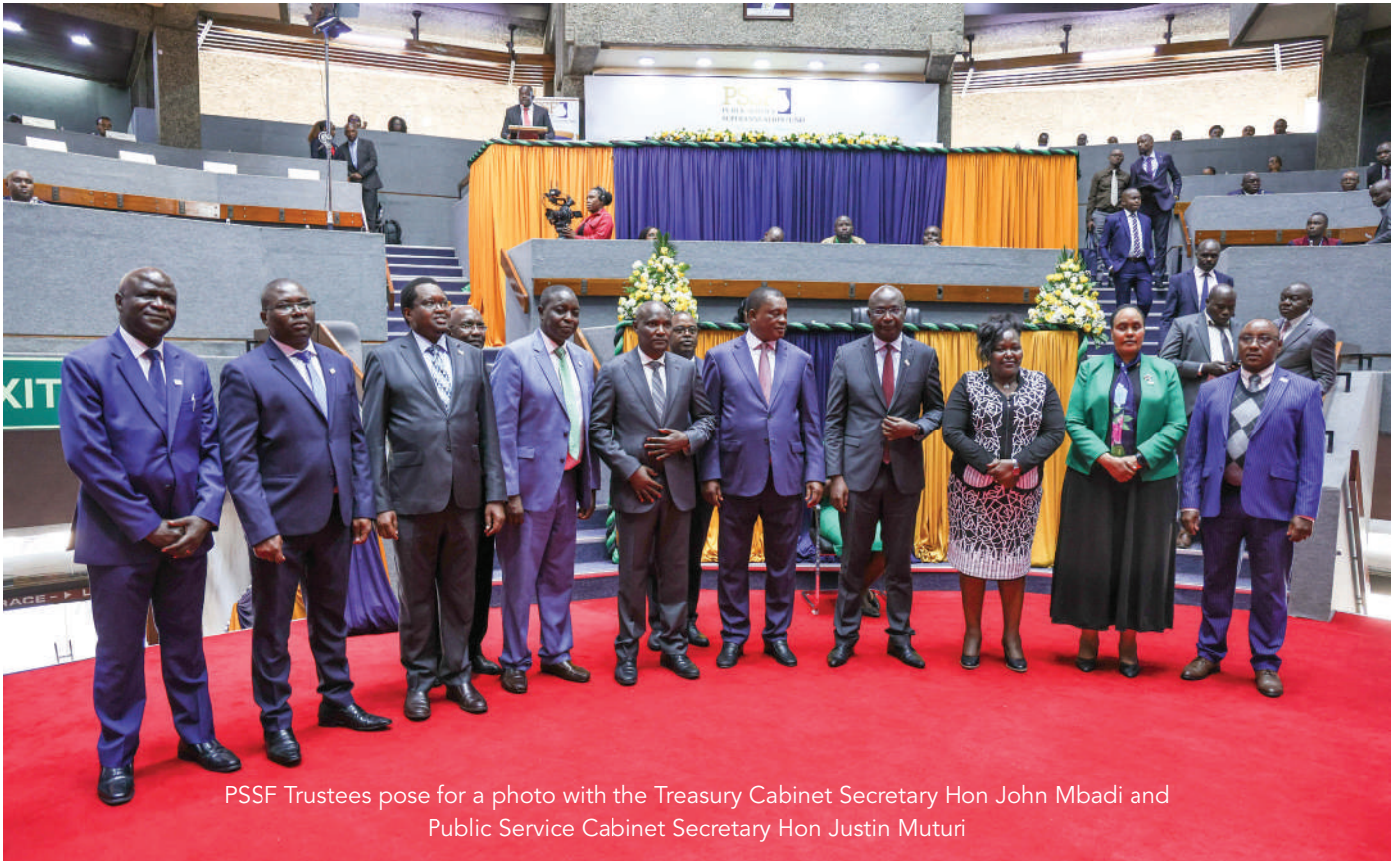
I would like to take this opportunity to express my gratitude to our Board of Trustees, management team, and staff for their unwavering dedication and hard work. Your efforts have been instrumental in driving our success. To our members, your trust and confidence are the bedrock of our institution, and we are deeply committed to serving you with excellence.

In conclusion, I encourage you to actively engage with this newsletter and share your feedback. Your input will be invaluable as we strive to make this publication a meaningful and impactful resource.

Dr. Jonah Aiyabei, PhD
Chief Executive Officer

PSSF Investment Income Jumps 155pc as Fund Value Reaches Ksh142.2 Billion

By Ngumbo Njoroge



PSSF Trustees pose for a photo with the Treasury Cabinet Secretary Hon John Mbadi and Public Service Cabinet Secretary Hon Justin Muturi

The Public Service Superannuation Fund (PSSF) reported a 155 per cent increase in investment income, which rose to Ksh14.05 billion for the financial year ending June 30, 2024, from Ksh5.51 billion in the previous year. The Fund's total value grew to Ksh142.2 billion, a Ksh57.49 billion increase from Ksh84.74 billion a year earlier, driven by member and employer contributions totaling Ksh44.7 billion.

The Fund, established to provide retirement benefits for civil servants, teachers, and disciplined services personnel, attributes its performance to its Investment Policy Statement (IPS). The IPS outlines asset allocation strategies aimed at balancing risk and return, ensuring capital preservation while maximizing income.

Government securities dominate the Fund's portfolio, accounting for 90 per cent of its investments. Treasury Bonds represent 72 per cent of the portfolio, followed by Treasury Bills at 18 per cent. Other assets include call and fixed deposits at 6 per cent, equities at 3 per cent, and Eurobonds at 1 per cent. The emphasis on fixed-income securities ensured stability amid market fluctuations.

PSSF Chairman Hon. Wycliffe Wangamati said the Fund's growth reflects prudent management and strategic asset allocation. "The increase in investment income and fund value demonstrates the importance of disciplined and forward-looking asset management," he said during the Fund's third Annual General Meeting.

The Fund's total membership currently stands at 442,929, comprising civil servants, teachers, and disciplined services personnel.



PSSF Chairman Hon Wycliffe Wangamati making his remarks during the AGM

The Fund recorded significant growth despite challenges in the broader economic environment, including inflationary pressures and delayed remittances from some employers. PSSF Chief Executive Officer Dr. Jonah Aiyabei said the delays affected a portion of contributions, limiting the Fund's ability to invest the money promptly and reducing potential returns.

"We are engaging stakeholders to ensure timely remittances, as these are critical to maximizing investment opportunities," Aiyabei said.

The CEO credited the Fund's risk management frameworks and governance structures for driving performance. The Fund strengthened its compliance mechanisms over the year to align with regulatory standards.

The Fund has also invested in member education programs to help contributors understand the shift from a non-contributory pension system to the current contributory model. Sensitization programs were conducted across the country in collaboration with employers.



The National Treasury and Economic Planning Cabinet Secretary Hon John Mbadi addressing members during the 3rd Annual General Meeting

In addition to its investment gains, PSSF is leveraging technology to improve service delivery. Members now have access to real-time updates on their contributions and statements through an online portal and a USSD code. The Fund plans to enhance these tools further to increase efficiency and accessibility.

Looking ahead, PSSF plans to expand its investment portfolio while rolling out welfare initiatives to address member needs and broader societal challenges. The Fund is also working on Corporate Social Responsibility (CSR) programs to support communities.

The Kenyan pension industry has continued to grow, with total assets under management rising 9.5 per cent to Ksh1.7 trillion at the end of 2023, according to the Kenya Economic Survey. Government securities accounted for much of this growth, with investments increasing by Ksh96.9 billion to Ksh818.9 billion.

PSSF's focus on government securities aligns with broader market trends. Fixed-income instruments have provided stable returns for the Fund, ensuring it meets its obligations to members and their beneficiaries.

The Fund's total membership currently stands at 442,929, comprising civil servants, teachers, and disciplined services personnel. Contributions from members and their employers play a central role in supporting PSSF's investment activities.

The Fund's management highlighted its commitment to sustainable growth, operational efficiency, and long-term financial security for members. "We will continue to monitor market conditions and adjust our strategies to safeguard members' savings," Wangamati said.

The PSSF was established under the Retirement Benefits Act and is regulated by the Retirement Benefits Authority. As one of Kenya's largest pension funds, it aims to collect contributions, invest optimally, and provide benefits sustainably.

Board of Trustees Profiles

1



Hon. Wycliffe W Wangamati – Chairman

Hon. Wycliffe Wafula Wangamati is a result-oriented Public Servant and Qualified Actuary with over 20 years of experience in consultancy and 5 years of serving as the second Governor of Bungoma County. Credited with turning around the healthcare system, opening up Bungoma with groundbreaking infrastructure projects as well as pioneering the most successful Secondary School Education scholarship programme among Counties.

He is a qualified Actuary with both Local and International experience in Pensions and Investment Consultancy. He previously served as the Managing Director and shareholder of all the holdings of Zamara, formerly Alexander Forbes, in Kenya. He also spearheaded restructuring and business re-engineering at Alexander Forbes while the Managing Director, growing the scheme's asset base from Kshs16 billion to 280 billion in under 6 years. He has also worked in South Africa and England for over six years, gaining cutting-edge experience in Investment Consultancy and Pensions Management.

Hon. Wangamati is a Fellow of the Institute of Actuaries from England 4th Kenyan to qualify as an Actuary in the country by then.

2



Ms. Agnes Mwenda – Vice Chairperson

Ms Agnes Mwenda holds a Bachelor of Science in Health Systems Management (BSc- HSM) from Kenya Methodist University (KeMU), a higher diploma in Kenya Registered Psychiatric Nursing (KRPN) and Diploma in Kenya Registered Community Health Nursing (KRCHN) from Kenya Medical Training College (KMTTC). In addition, Ms. Mwenda has successfully completed other trainings including: a Management and Leadership course offered by Strategic Leadership Development Programme (SLDP), Corporate Governance training from the Centre for Corporate Governance (CCG), Senior Management Course (SMC) and a Supervisory Skills course at the Kenya School of Government (KSG).

3



David W O Ochiel

Trustee David W. O. Ochiel, a Certified Human Resource Professional (CHRP-K), is a dedicated public servant with over 20 years of experience in the Kenyan government. He currently serves as the Director of Human Resource Management and Development at the State Department for Public Service. Ochiel holds a Master's and Bachelor's degree in Education from Kenyatta University and has advanced training in human resource management and leadership from institutions in Singapore and South Korea. His career began in education before transitioning to the Civil Service, where he has held various leadership roles.

Ochiel has significantly contributed to professional and organizational development in the public sector. He has led initiatives to enhance career growth, coordinated a comprehensive medical insurance scheme for civil servants, and facilitated numerous competency development courses.

4



Dr. Kiprono Philemon

Trustee Dr. Kiprono Philemon, Ph.D serves as the Head of Research and Policy Analysis at the Public Service Commission. With a Ph.D. and Master's degree in Development Economics, and a Bachelor of Science in Applied Statistics (First Class Honors), he brings over 18 years of extensive experience in policy analysis.

Prior to his current role, Dr. Kiprono held the position of Efficiency Monitoring Officer, where he spearheaded the monitoring and evaluation of the implementation of various PSC policies. His responsibilities included ensuring the efficiency and effectiveness of policy implementation processes.

He has also worked with Presidential Policy and Strategy Unity (PASU) as Agricultural advisor on the Big 4 Agenda. Dr. Kiprono has also worked with the State Department for Economic Planning as an economist.

5



Ms. Rosemary Sipatan Kuraru, EBS, ndc(K)

Trustee Ms. Kuraru is a Senior Assistant Inspector General and the Director - Human Capital Development in the National Police Service. She is an alumnus of the prestigious National Defence College of Kenya. She holds an MBA (International Relations & Diplomacy) from the University of Nairobi (UoN), a Bachelor of Science in Counselling Psychology from Mt. Kenya University (MKU) and a Higher Diploma in Psychological Counselling from Kenya Methodist University (KEMU). In addition, Ms Kuraru has attended various trainings including Corporate Governance Training (2022), Trustee Development Training in Kenya (2021), State Corporations Advisory Committee (SCAC) Training (2023), Senior Mission Leadership Course at the International Peace Support Training Centre (IPSTC, 2017), Strategic Leadership Development Programme (SLDP, 2016), and Senior Management Course (SMC, 2014) at the Kenya School of Government. Rosemary is a career Police Officer, who joined the National Police Service in 1993 as a Police Constable. She has served for Thirty years (30) years and has risen through the ranks in the male-dominated Police Service to become among the first women to achieve the rank of Senior Assistant Inspector General of Police and the first woman Director - Human Capital Development in the National Police Service. In the Board, she represents the Inspector General of National Police Service

6



Cavin Anyuor

Trustee CS. Cavin Anyuor is an Advocate of the High Court of Kenya with over 10 years post qualification experience with keen interest in Employment and Labour law. He holds a Master of Laws degree in Employment and Labour Law from the University of Turin's International Training Centre of the ILO, a Bachelor of Laws Degree from the University of Nairobi and a Post Graduate Diploma in Law from the Kenya School of Law.

He is a Certified Public Secretary, an accredited Governance Auditor and a Certified Professional Mediator (CPM). Additionally, he has undertaken various leadership trainings including the Senior Leadership and Development Program (SLDP) from the Kenya School of Government (KSG). He is a member in good standing of the Law Society of Kenya, East Africa Law Society and the Institute of Certified Secretaries

He has had an illustrious career with the Teachers Service Commission spanning over 22 years. He has a wealth of experience in corporate governance, education, labour and employment law.

7



Ndiku Muuo

Trustee Mr Ndiku Muuo is the National Treasurer, The Kenya National Union of Teachers. He holds a Bachelor's Degree in Education from Kenya Methodist University, Diploma in Special Needs Education from the Kenya Institute of Special Education (KISE).

Mr Ndiku has held the position of Deputy National Treasurer, KNUT 2016-2021 and Assistant National Treasurer, KNUT 2015-2016.

8



Wicks Njenga

Trustee Mr. Wicks Njenga served as a teacher (1988 – 2001) in various Public Secondary Schools. He was elected as the Kiambu Branch of Kenya Union of Post Primary Education Teachers (KUPPET) Executive Secretary (2001– 2010) and re-elected in January 2013. He also elected as the National Treasurer of KUPPET, a position he has served since 2006. He is also an Examiner at the Kenya National Examinations Council. Mr Wicks was appointed to the Board of the Public Service Superannuation Fund (PSSF) in 2021 to represent KUPPET. In the Board, he serves as the chairman of the Audit and Risk Management Committee. Mr. Wicks holds a Bachelor of Education degree from Kenyatta University 1988.

9



Mr. Amos Cheptoo

Amos Cheptoo is currently the Ag. Director for Resource Mobilization Department at the National Treasury, a position he holds after serving as the special advisor for multilateral cooperation.

He previously served as the Executive Director for Eastern Africa at the Board of the African Development Bank (2019–2022) and Senior Advisor (2016–2019), based in Abidjan. He also worked as the Programme Manager for the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) (2006–2016), based in Harare.

Prior to international assignments, he served as an Economist at the Central Bank of Kenya from 1996–2006.

Public Service Superannuation Fund hosts Third Annual General Meeting

By Ngumbo Njoroge

PSSF hosted its third Annual General Meeting (AGM) on December 11, 2024, at the Kenyatta International Convention Centre (KICC) in Nairobi

The event drew key stakeholders, fund contributors, beneficiaries, and representatives from the public sector who discussed the fund's performance, future outlook, and pressing issues within the pension sector.

"The National Treasury fully supports the Retirement Benefits Act, recognizing its vital role in ensuring retirees are well-cushioned during their retirement years. We commend retirement funds that have chosen to invest in National Bonds, a strategic decision that promises strong and reliable returns," Hon. John Mbadi, Cabinet Secretary (CS) for The National Treasury and Economic Planning reiterated as he presided over the third AGM.

The meeting highlighted the fund's achievements over the past financial year, including investment returns, asset growth, and initiatives aimed at enhancing the financial security of public service workers in retirement.

The Fund's assets under management recorded an impressive growth buoyed by prudent investment strategies and a diversified asset portfolio that yielded commendable returns, securing members' funds. Hon. Wycliffe Wangamati, the scheme's chairman highlighted the scheme's fund value increase to Ksh 142.2 billion from Ksh 84.74 billion the previous year, recording an increase in members' funds of Ksh 57.49 billion. Fund investment income increased to Ksh 14.05 billion compared to Ksh 5.51 billion the previous year.

"This success has been driven by our robust Investment Policy Statement and the dynamism of our investment. Our IPS identifies strategic and tactical asset allocation ratios and clear investment



Head of Public Service Mr Felix Koskei poses for a photo with the Treasury Principal Secretary Dr Chris Kiptoo, PSSF Trustees and CEO during the 2nd Annual General Meeting at the Kenya School of Government, Kabete

objectives," Dr. Jonah Aiyabei, PhD., Chief Executive Officer of the Scheme commended.

This year's AGM was positioned as an important milestone as it provided a platform for transparency and accountability, allowing stakeholders to engage directly with fund administrators and board members. Hon. Justin BN Muturi, EGH, MP, Cabinet Secretary, Public Service and Human Capital Development, who was also present at the AGM urged the trustees to prioritize the interests of all scheme members by managing resources prudently, ensuring their funds were safeguarded and secured for a dignified and fulfilling retirement.

Members also had the opportunity to raise questions and provide feedback on issues such as benefit processing, fund governance, and service delivery improvements. A question regarding Additional Voluntary Contributions was well responded to; stating that members are allowed to make additional voluntary contributions i.e contributions that are above the 7.5% rate. However, in regards to the same, the employer was not under obligation to match the additional voluntary contributions of the member. Members were also relieved to hear that unlike the DB scheme, with PSSF, upon the

exit of a member from their line of service, the member would receive their benefits within a maximum of 30 days.

The PSSF Board of Trustees in partnership with the Fund Custodians, Fund Administrator & Fund Manager used feedback from members to address challenges in fund management and improve accountability. "As you can see, the performance is coming in very strongly at about 14.6%, and that's really driven by some of the strategies that we put in place in line with the Strategic Plan, to ensure that we are continuously able to target double digit returns for your funds going forward and ensure stability in terms of that return," Senior Investment Manager, CPA Mohamed Abdi, Gen Africa.

PSSF CEO. Dr. Aiyabei in conclusion stated, "As we look to the future, we remain optimistic and confident in our ability to sustain our growth trajectory. Our focus will continue to be on innovation, customer-centricity, and operational excellence to deliver sustainable value to our stakeholders." At present, members have real-time access to their statements and contributions history via an online portal members.pss.go.ke and USSD code *378#.

PSSF membership grows by **74,000** in 3 years

By Collins Nyamu

Since its inception on January 1, 2021, the Public Service Superannuation Fund (PSSF) has experienced steady membership growth. Established as a pension scheme to support Civil Servants, Teachers employed by the Teachers Service Commission (TSC), and members of the Disciplined Services, PSSF has seen its membership numbers consistently increase year after year.

As of June 30, 2024, PSSF's total membership had reached 443,639. This marks a significant growth from previous years, with the membership count recorded at 368,795 as of June 30, 2022, and at 416,449 as of June 30, 2023. This progression demonstrates a clear upward trend in the adoption of the pension scheme by public sector employees, reflecting the scheme's appeal and relevance to its target audience.

Over a two-year period from June 2022 to June 2024, the membership of PSSF grew by 74,844 members, representing a growth rate of approximately 20.3%. This substantial increase highlights the scheme's effectiveness in reaching and enrolling more members from its eligible groups. The membership distribution across categories is noteworthy, with Teachers comprising the largest portion at 59.1%, followed by Disciplined Services at 26.1%, and Civil Servants at 14.8%.

This diversified member base underscores PSSF's commitment to providing essential retirement planning across critical areas of public service. By prioritizing accessibility for teachers, disciplined service members, and civil servants, PSSF is effectively supporting the retirement needs of its members and securing their financial futures. With continued efforts to increase membership and engagement, PSSF remains a cornerstone in Kenya's public sector pension landscape, empowering public servants to plan for a secure retirement.

Timeline Overview:

Start Date:
January 1, 2021



Milestones:

June 30, 2022
368,795

June 30, 2023
416,449

June 30, 2024
443,639



Growth Rate
(June 2022 - June 2024)
+20.3%

Member Distribution:

Teachers	:	Disciplined Services	:	Civil Servants
59.1%	:	26.1%	:	14.8%

PSSF partners with Police Commission for pension training in seven counties

By Ngumbo Njoroge

The Public Service Superannuation Fund (PSSF) partnered with the National Police Service Commission to conduct training sessions for police officers on the contributory pension system.

The training, held across Kiambu, Machakos, Nairobi, Kajiado, Kisumu, Siaya, and Homa Bay counties, focused on educating officers about the transition from the Defined Benefits (DB) pension scheme to the Defined Contribution (DC) model.

PSSF, established in 2021, manages retirement benefits for civil servants, teachers under the Teachers Service Commission (TSC), and police officers. With over 443,000 members, PSSF is one of Kenya's largest pension schemes, designed to ensure financial security for public servants upon retirement. Its shift to the DC model on January 1, 2021, reflects the government's broader strategy to create a sustainable pension system and ease the growing financial burden of pension payouts.

Under the DC model, officers under the age of 45 were automatically enrolled, contributing a percentage of their salary to their pension fund, with the government matching their contribution at twice the amount.



Senior Benefits Officer Mr Douglas Asanyo interacting with members during a member sensitisation session in Siaya County

Initially, members contributed 2.5 per cent of their monthly salary, which rose to 5 per cent in the second year and is currently at 7.5 per cent. The government contributes an additional 15 per cent, bringing the total contribution to 22.5 per cent of the officers' monthly salaries. Unlike the old DB scheme, where benefits were predefined, the DC model provides benefits based on the total contributions accumulated over time, plus investment returns.

PSSF officials reassured officers during the training that the DC scheme has functioned smoothly since its

implementation, with no delays in the remittance of funds. The switch to the DC model was seen as a necessary move to alleviate the government's financial strain and provide a more efficient pension system for public servants.

Officers raised concerns about their representation on PSSF's board of trustees, expressing a need for more direct involvement in the fund's governance. The ongoing proposals to amend the PSSF Act provides for a representative from the NPSC in the Board of Trustees.

The training also focused on access to contributions history. Members can check their pension balances and account information through a USSD code (*378#) or by logging into the PSSF membership portal. This move aims to make it easier for members to access real-time information about their contributions and retirement savings.

The training sessions provided police officers with valuable knowledge on navigating the new pension scheme and addressing concerns about representation and fund accessibility.



General Service Unit (GSU) officers following proceedings during a sensitisation session at the National Police Service Embakasi B Campus

Pictorial



1. General Manager of the South Sudan Government Pension Fund, Mr. Edward Yier pays courtesy visit to PSSF CEO, Dr. Jonah Aiyabei.
2. PSSF shares a photo with police officials after a member sensitization at NPC Embakasi Campus "A".
3. PSSF holds member sensitization at SGB Nairobi.
4. PSSF partners with NPSC during a member sensitization program.
5. Nairobi Deputy Governor H.E Njoroge Muchiri engages with PSSF officer at the Nairobi International Trade Fair.
6. PS State Department for Economic Planning, Mr. James Muhati CBS, officiates a tree planting exercise at Ndaragwa Forest, Nyahururu.



7. Police officer engages with other PSSF members during a sensitization program in partnership with NPSC and IJS Kenya.
8. PSSF CEO, Dr. Jonah Aiyabei gives his speech during the 2nd Annual Pensions Conference & Expo hosted by Nation Media Group at KICC Nairobi.

AGM Pictorial



1. Members following proceedings during the AGM at the KICC Amphitheatre.
2. CPF Group CEO Dr Hosea Kili makes his remarks during the meeting.
3. A member contributing to the discussions during the meeting.
4. PSSF CEO Dr Jonah Aiyabei addressing members during the AGM.
5. Administration Police Band performs at the AGM.

PSSF CEO Calls for Pension Schemes to Adopt Impactful Investments

By Collins Nyamu

Public Service Superannuation Fund (PSSF) Chief Executive Officer Dr. Jonah Aiyabei has urged pension schemes to adopt investment strategies that prioritize impact alongside traditional considerations of risk and return.

Speaking at the 2nd Annual Pensions Conference & Expo, Dr. Aiyabei emphasized that pension investments should benefit members not only financially but also contribute positively to the broader economy.

“In today’s evolving financial landscape, pension schemes must think beyond just return and risk. Impactful investments that balance financial returns with tangible value creation for our members are critical to fostering a more resilient economy and a stronger retirement system,” Dr. Aiyabei noted.

He added that PSSF has been steadily advancing a diversified investment approach that seeks to maximize returns while minimizing risk, ensuring long-term benefits for its members. Among its new growth strategies, the scheme is exploring opportunities in Real Estate Investment Trusts (REITs) as an innovative way to generate stable returns.

The 2nd Annual Pensions Conference & Expo, held at the Kenyatta International Convention Centre (KICC), was organized by the Nation Media Group under the theme “Making Social Security a Reality For All.” The event brought together a diverse group of industry leaders, government officials, and finance professionals to discuss the future of pension funds and social security. Notable attendees included Jane Nzau, Chairperson of the Association of Retirement Benefits Schemes (ARBS); Kenbright’s Chief Actuary Ezekiel Macharia; and Ken Mbae, Managing Director of Centum Real Estate.

During his keynote address, Dr. Aiyabei stressed that pension schemes have a duty to focus on more than just traditional benchmarks of risk and return.

“Member value should be at the heart of our decisions,” he stated. “By diversifying investments, we can ensure both sustainable growth and security for our members’ retirement savings, safeguarding their futures while making a positive impact in sectors that align with our social goals.”

Ezekiel Macharia, Kenbright’s Chief Actuary, echoed Dr. Aiyabei’s call for a broader investment horizon. He challenged pension schemes to move beyond traditional government securities, such as Treasury bills and bonds, which he cautioned could become a liability.



PSSF CEO Dr. Jonah Aiyabei participating in a panel discussion during the 2nd Annual Pensions Expo

“**Member value should be at the heart of our decisions...**”

“Over-reliance on government securities exposes funds to potential issues such as higher tax rates as the government seeks to meet debt obligations. While private equities carry risks, they also present significant opportunities for growth and diversification,” Macharia explained.

He encouraged fund managers to explore asset classes such as private equity and infrastructure investments that can bring both strong returns and economic impact.

Dr. Aiyabei shared that PSSF’s strategy to consider REITs aligns with its mission to generate strong returns while managing risk prudently. He added that REITs, along with other real estate ventures, offer steady revenue streams and capital appreciation over time, presenting a unique growth avenue for the fund.

The 2024 conference highlighted the need to reimagine pension investment strategies to achieve resilience and value creation. Attendees left with renewed insights on the critical role of diversification in maintaining both the stability and growth of pension funds. The discussions reinforced the importance of aligning investment goals with the overarching objective of building a secure, accessible social security system for all Kenyans.



Demystifying ERP Technology and its Role in the Success of the Pension Industry

By CPA Benjamin Mokuu

The pension industry in Kenya, particularly the Public Service Superannuation Scheme (PSSS), is crucial to the financial security of the nation's public servants. However, managing such a large-scale scheme involves complex financial operations, strict regulatory requirements, and an ever-growing number of beneficiaries. To navigate these challenges, modern technologies such as Enterprise Resource Planning (ERP) systems have become indispensable tools for accountants and finance professionals. ERP technology is helping streamline processes, improve efficiency, and ensure greater transparency in pension fund management. This article explores how ERP systems have transformed the Public Service Superannuation Scheme in Kenya and how they can contribute to the success of pension industry professionals.

1. Streamlining Financial Operations

The Public Service Superannuation Scheme is one of the largest pension schemes in Kenya, covering thousands of public servants. Managing the financial records of such a large number of beneficiaries, contributions, and disbursements requires a high degree of precision and coordination. ERP systems like SAP or Oracle are designed to centralize financial data, enabling finance teams to manage accounting, investments, and expenses from a unified platform.

For accountants in the scheme, ERP systems are looking forward to automate critical financial processes such as contribution tracking, payroll management, and pension disbursements. This automation reduces manual intervention, allowing finance professionals to focus on more strategic activities like fund performance analysis and forecasting. The result is improved accuracy in financial reporting, with fewer errors and a significant reduction in time spent on manual tasks.

2. Ensuring Compliance and Regulatory Reporting

The PSSS, like all pension schemes, must comply with stringent regulatory frameworks set by the government, such as the Retirement Benefits Authority (RBA) guidelines. ERP systems are equipped with built-in compliance features that help pension administrators adhere to these regulations. With automated tools for generating compliance reports and auditing documents, finance professionals can ensure that the scheme meets both local and international standards.

In the case of PSSS, ERP systems help generate reports that comply with Kenya's pension regulations, ensuring timely submissions to regulatory bodies. Additionally, because ERP systems maintain a clear audit trail of all transactions, internal and external auditors can more easily verify the integrity of financial data. This transparency reduces the risk of non-compliance and improves the confidence of stakeholders, including pension plan participants, government authorities, and auditors.

3. Improved Data Integration for Decision-Making

One of the most significant benefits of ERP systems is their ability to integrate data from various departments into one cohesive platform. In the case of the PSSS, this integration brings together data from member contributions, investment performance, actuarial reports, and disbursements. Finance professionals can easily access a holistic view of the scheme's financial health in real time.

For example, when making investment decisions or assessing future liabilities, accountants can pull data from the ERP system to get a comprehensive picture of the scheme's cash flow, asset allocation, and demographic trends. This data-driven decision-making allows for better management of pension funds, ensuring that resources are allocated efficiently to meet future obligations and ensure long-term sustainability.

4. Enhancing Operational Efficiency

The pension industry is often burdened by administrative inefficiencies due to the sheer volume of paperwork and manual processes involved in managing pension plans. ERP systems offer automation that greatly reduces these inefficiencies. In PSSS, for instance, member records, contribution histories, and pension calculations are all managed through the ERP platform, eliminating the need for physical records and reducing the likelihood of human error.

Automation in pension disbursements is another key area where ERP systems add value. With predefined workflows, the system can automatically process monthly pension payments to beneficiaries, ensuring timely and accurate disbursements. This not only saves time but also enhances the experience for pension plan participants, as they receive their payments without delays or errors.

5. Future-Proofing the Pension Scheme

As the demographic profile of pensioners evolves, and as the Kenyan economy and regulatory landscape continue to change, the Public Service Superannuation Scheme must remain flexible and adaptive. ERP systems provide the scalability and flexibility required to meet these future challenges. Whether it's managing a growing number of beneficiaries or adjusting to changes in pension regulations, ERP technology ensures that the scheme can evolve without compromising on efficiency or compliance.

In conclusion, ERP technology is transforming the Public Service Superannuation Scheme in Kenya, providing accountants and finance professionals with the tools needed to manage complex operations with ease. From automating financial processes and ensuring compliance to improving decision-making and

operational efficiency, ERP systems are empowering finance professionals to drive the success of pension schemes in Kenya. As the pension industry continues to evolve, embracing ERP technology will be key to ensuring that pension funds remain sustainable, transparent, and efficient in serving the needs of public sector employees.



Automation in pension disbursements is another key area where ERP systems add value...



The writer is a Principal Accountant at PSSF



PSSF's Next Big Leap:

Properties and Private Equity

By Osano Steve

Have You Heard the News? PSSF is preparing to venture into properties and private equity! **Yes**, the Fund is redefining its investment strategy by moving beyond the traditional focus on government securities.

PSSF intends to diversify its portfolio and capitalize on higher-growth prospects by investing in real estate and private equity.

So why is PSSF shifting its strategy, and what benefits will these new investments bring to its members?

The Need for Diversification

The decision to diversify beyond government assets arises from the need to strengthen the Fund's resilience and raise overall returns. While government securities have historically given a steady and reliable source of income, over-reliance on this asset class can put the portfolio at risk, particularly in a low-interest-rate environment or during times of economic instability.

Diversification into other asset classes, such as real estate and private equity, not only reduces risk, but also enables PSSF to capitalize on high-growth prospects and new revenue streams.

Embracing New Asset Classes: Property and Private Equity

PSSF's expansion into property and private equity is a significant step in diversifying its investment strategy. Real estate generates steady income and possible capital gains, which serve to meet the Fund's long-term financial needs.

Private equity, meanwhile, enables PSSF to engage in high-growth sectors such as renewable energy, healthcare and technology, often before companies go public. This asset class provides high returns with little exposure to market volatility, complementing the Fund's overall strategy. PSSF intends

to identify high-potential ventures that fit its risk profile and growth goals by partnering with experienced firms.

PSSF Balancing Returns and Risks

Investing in property and private equities holds great promise but also comes with challenges. Real estate demands effective asset management, regulatory compliance and market knowledge. Private equity, while lucrative, has greater risk owing to limited liquidity and lengthier investment timeframes.

To address these risks, PSSF has implemented robust management measures, such as expert advisory and thorough due diligence. The PSSF's Investment Committee is also crucial in aligning these enterprises with PSSF's objectives.

Impact on Pension Scheme Members: Overall Returns

The diverse investing strategy aims to benefit PSSF members by increasing overall returns. Higher returns mean better pension payouts, which boosts the Fund's ability to maintain financial stability and meet future obligations.

Diversification also reduces risk, cushioning the Fund from market downturns. This balanced strategy reinforces the Fund's commitment to provide reliable retirement income to its members.

Future Outlook: PSSF's Investment Roadmap

PSSF intends to continue refining its approach, looking into new sectors such as infrastructure projects, green energy and global markets for future expansion. This approach seeks to optimize the portfolio and improve long-term sustainability.

The Fund remains committed to strong governance, transparency and prudent management, focusing on securing a stable retirement future for Kenya's public servants.

Final Thoughts

The shift from traditional investments in government securities and equities to the inclusion of properties and private equity marks a new chapter for PSSF. This strategic diversification aims to increase returns, lower risks and assure the Fund's long-term growth. With a forward-looking strategy and a commitment to its members, the Fund is well-positioned to traverse these new investment horizons and lay a better, more robust financial foundation for tomorrow.

PSSS offers a Brighter Future in Public Service Pension Reforms in Kenya



By Douglas Asanyo

The introduction of the Public Service Superannuation Scheme (PSSS) in January 2021 marked a transformative shift in Kenya's public service pension system. Established under the Public Service Superannuation Scheme Act Chapter 189A, PSSS is a Defined Contributory (DC) Scheme that replaced the non-contributory Defined Benefit (DB) Scheme under the Pensions Act, Cap 189. This reform promises a secure and dignified retirement for public servants, including teachers employed by the Teachers Service Commission, civil servants, and personnel in the Disciplined Services (National Police Service, Kenya Prisons Service, and National Youth Service).

Previously, pension benefits were limited to permanent and pensionable employees, excluding support staff on

temporary terms. The 2021 reforms addressed this disparity, transitioning temporary employees contributing to the National Social Security Fund (NSSF) into permanent and pensionable positions under PSSS. This change ensures a regular retirement income instead of the insufficient lump sums offered by NSSF, reducing reliance on government cash transfer programs for the elderly.

A major advantage of PSSS is portability. Unlike the DB Scheme, which required a minimum of 10 years of service and restricted benefits to one employer, PSSS contributions can move with employees across careers. This flexibility allows public servants to explore diverse opportunities without risking their retirement savings, empowering them to build a more substantial retirement fund.

PSSS also introduces Additional Voluntary Contributions (AVCs), offering members several benefits:

- 1. Tax Savings:** Contributions up to Kshs 240,000 annually are tax-exempt, reducing taxable income and increasing take-home pay.
- 2. Higher Retirement Savings:** Members can contribute beyond the mandatory 7.5% of their basic salary, enhancing their income replacement ratio—ideally 70% of pre-retirement income for financial security.
- 3. Flexibility:** Members can adjust, pause, or stop their AVCs anytime, adapting to changing circumstances.
- 4. Safe and Managed Investments:** AVCs are invested alongside regular contributions in diverse asset classes to safeguard and grow members' funds.



These provisions offer a practical pathway for members to achieve a secure retirement while maximizing their savings' growth potential.

The pension reforms also enhance transparency and financial planning. Members can track their contributions through regular statements, enabling better retirement preparedness.

PSSS reflects the government's commitment to its employees' welfare during and after their service. It equips members to plan for a smooth, financially stable retirement, replacing uncertainty with proactive and flexible options.

By aligning Kenya's public service pensions with global best practices, PSSS underscores a brighter future for public servants, guaranteeing them peace of mind as they transition into their post-service lives.

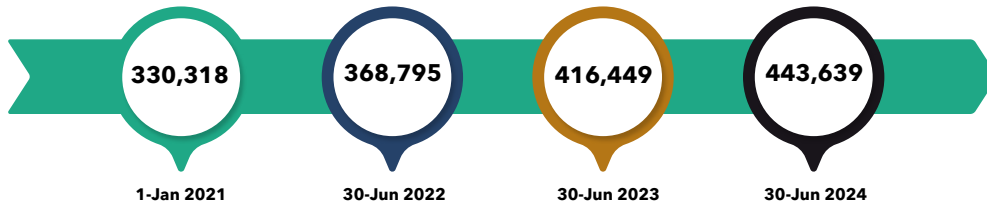
The writer is a Senior Scheme Administration Officer

Factsheet

The Public Service Superannuation Scheme is a defined contribution pension scheme that covers Civil Servants, Teachers employed by TSC and Disciplined Services personnel. As at 30th June 2024, the scheme's membership was 443,639 with a fund value of KES 142.2 billion.

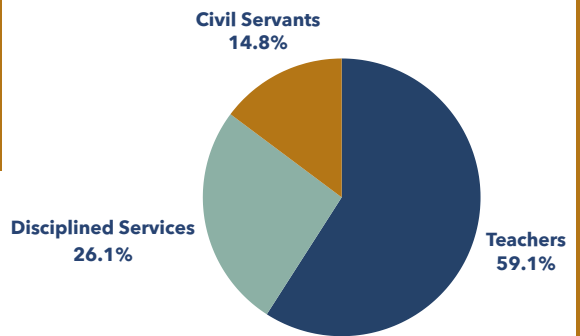
MEMBERSHIP GROWTH

Since inception on 1st January 2021, membership has grown steadily.



Over three years (Jan 2021 to June 2024), there was an increase of 112,639 members, representing a growth rate of approximately **34.04%**

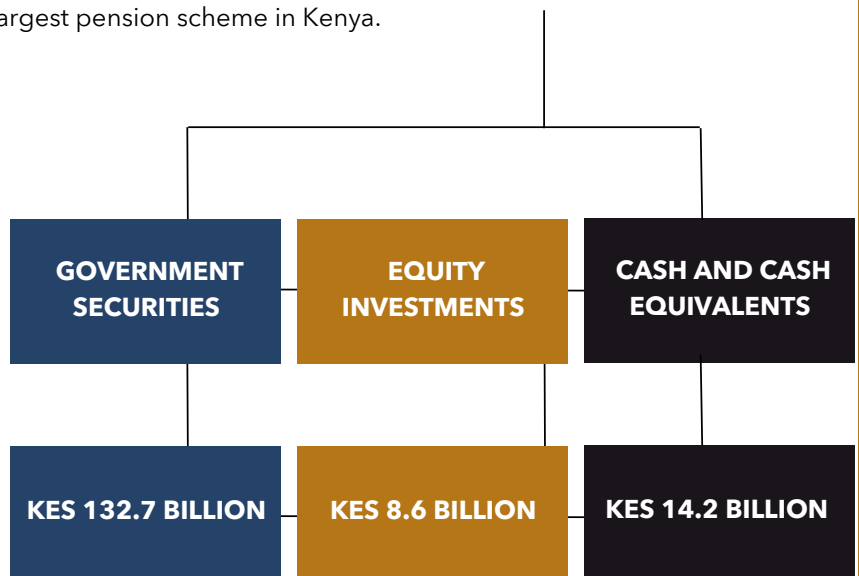
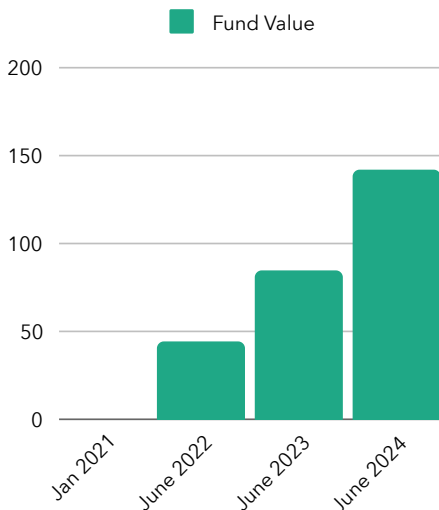
MEMBER CATEGORIES



With 59% of our members from the teaching sector, 26% from disciplined services and 15% from civil service, we are providing essential retirement planning across critical areas of public service.

FUND VALUE

As at 30th September 2024, the scheme's fund value was at **KES 157.8 BILLION** making it the second largest pension scheme in Kenya.





Merry Christmas

The Public Service Superannuation
Fund wishes you joy, peace and
prosperity this festive season

&

A Happy New Year



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