



**PENSION**

# MEMBERS HANDBOOK

December, 2024



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# UNDERSTANDING YOUR PENSION SCHEME

## 1. Background of the Public Service Superannuation Scheme

Since independence, the Government operated a non-contributory Defined Benefit Pension Scheme fully financed through the Consolidated Fund. The Scheme was established under the Pensions Act (CAP 189).

In 2010, the National Treasury introduced reforms in management of retirement schemes for the public sector. The reforms required all public institutions to convert Defined Benefit (DB) schemes to Defined Contribution (DC) schemes.

In compliance with the guidelines, the Government established a Defined Contribution scheme for civil servants, teachers, and the disciplined services personnel through enactment of the Public Service Superannuation Scheme (PSSS) Act in 2012.

All employees of stated categories of public service who had not attained the age of 45 years as at 1 January 2021 were automatically enrolled in the scheme. In addition, any person employed by Government service in the specified cohort of civil service is required to join the contributory scheme.

The Defined Benefits Scheme continues to operate for the purposes of provision of retirement benefits for employees who were aged 45 years and above as at 1st January 2021 (and did not opt to join PSSS). It is also responsible for payment of pension benefits to the pensioners, dependants and beneficiaries who were on Government pension payroll as at the date of establishment of PSSS.

## 2. Who are our members?

- i. All employees in the public service who had not attained the age of 45 years as at 1st January 2021.

For the purposes of PSSS, public service means employment under the Public Service Commission as a civil servant, Teachers Service Commission as a teacher or Disciplined Services (National Police Service, Kenya Prison Service and National Youth Service)

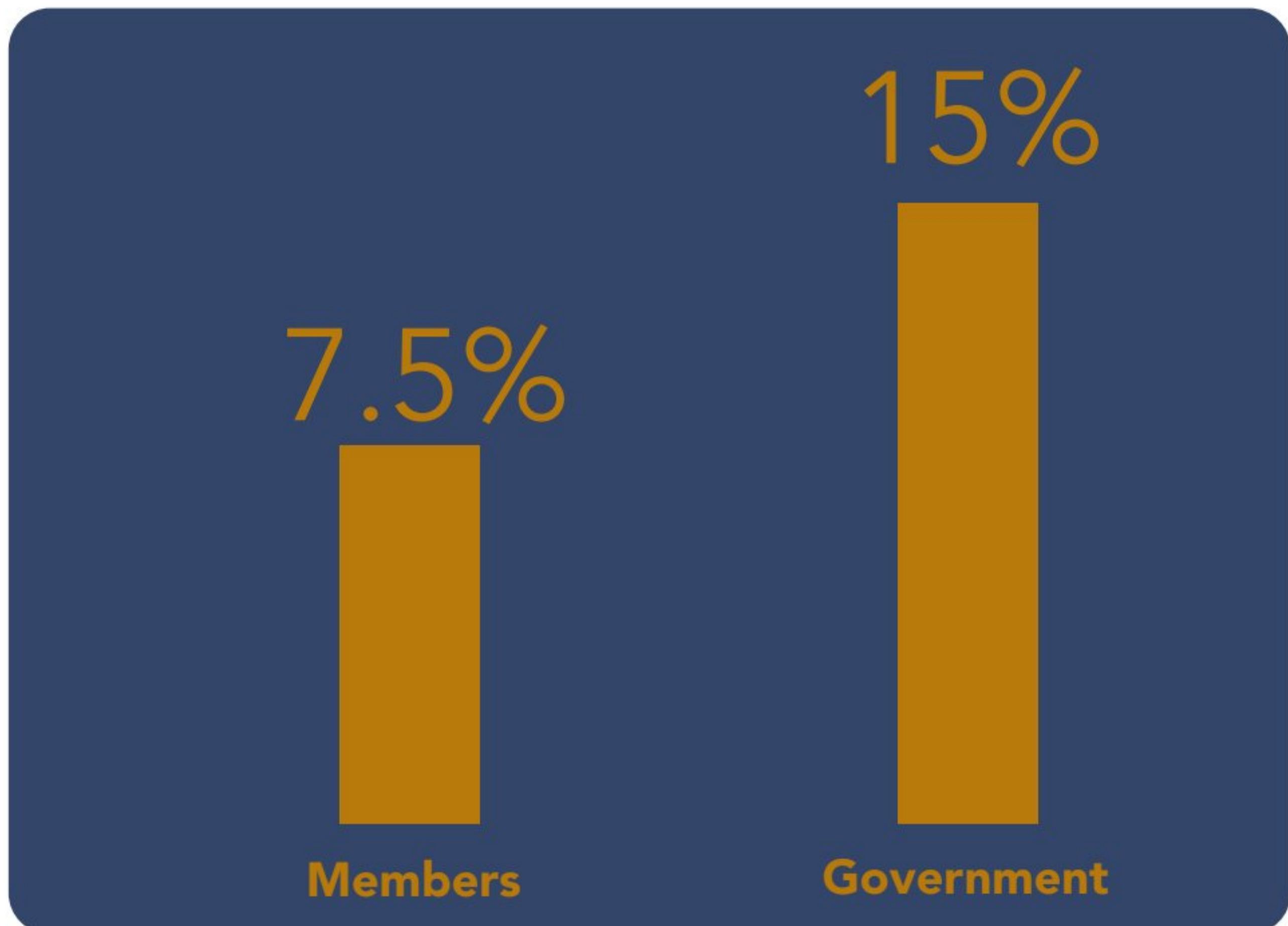
- ii. Any employee under the public service who was aged 45 years and above as at 1<sup>st</sup> January 2021 and has executed a prescribed consent to voluntarily join PSSS.
- iii. Any employee who joined public service on or after 1st January 2021.

As at 30th June 2024, the scheme had over 443,000 members.



### 3. How is the Scheme funded?

The members of the scheme contribute 7.5% of their basic salaries while the Government contributes 15% of the basic salary of every member of the scheme on a monthly basis.



Employees can make additional voluntary contributions to increase their savings. However, the Government does not increase its contribution to match the additional voluntary contributions by the members.

## 4. How do we invest?

Once the contributions are received by the Scheme, the Trustees in consultation with the Fund Manager invest in assets which are expected to deliver optimal returns to the members.

The choice of the assets is guided by:

- i. An investment policy strategy developed by Trustees as guided by an investment advisor.
- ii. The retirement benefits investment regulations
- iii. Professional advice of an investment expert based on research of the available opportunities.

At the close of every financial year, the Scheme determines the investment return realized from the portfolio of assets. This return is then distributed proportionally amongst all the members of the scheme.

As at 30th June 2024, the total asset value of the scheme was Kshs 140 billion.



## 5. What benefits can you expect from the scheme?

The benefits payable to the members after exit from service consist of accumulated savings and investment income



Members of PSSS or their dependants/ beneficiaries are entitled to their benefits upon exit from public service irrespective of the nature of exit. The benefits are payable upon the occurrence of the following events:

- a. Early retirement - upon attaining the age of 50 years
- b. Normal retirement - age 60 years
- c. Late retirement - exit after normal retirement date
- d. Between service of 12-20 years for the disciplined services
- e. Resignation
- f. Dismissal
- g. Retrenchment
- h. Sickness
- i. Emigration
- j. Death

The quantum of benefits that is payable to the member and/or beneficiaries (at the point of exit) depends on the age of exit of the member and the form of exit from service.

The benefits are subject to taxation as per the provisions of the Income Tax Act.

## 6. What form of benefits are payable upon retirement?

A maximum of one-third of the members' savings is payable as a lump sum while the balance is payable through a series of regular payments (monthly, quarterly or annually), through an annuity and /or income drawdown arrangement.





## 7. What happens in case of death of a member?

In the event of death of a member of the scheme, benefits (usually a one-off lump sum) are paid to nominated beneficiaries. It is therefore critical that all members of the scheme nominate their beneficiaries in a prescribed form and ensure that the document is submitted to the Scheme.



The form can be accessed on the scheme's website - <https://www.psss.go.ke/members-forms>

This document guides the Trustees on who to pay the member's benefits. In its absence, the Board of Trustees are empowered to exercise discretion in discharging the benefits in the member's account.

## 8. What is the procedure for accessing benefits?

Upon exit from service, members or their beneficiaries lodge a claim for payment of benefits through the employers.

Upon receipt of the application, the Scheme reviews its completeness and forwards the documentation to the Administrator for calculation of the benefits and payment.

The Scheme is required by law to settle benefits within 30 days from the date of receiving the application.

In some instances, an application may take longer to be processed if the documentation is incomplete or if it is a death case and the member did not nominate beneficiaries which necessitates a decision by the Trustees.



**BENEFITS**

# 9. How can a member access their statements?

Members have instant access to their statement through the Scheme's web portal - <https://members.psss.or.ke> or a USSD code - [\\*378#](tel:*378#)

In case of any enquiries, members are encouraged to contact the scheme through the details provided below.

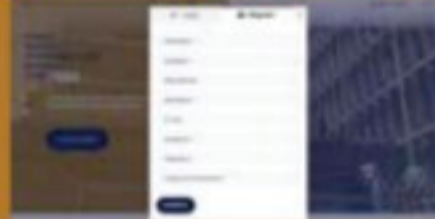
## HOW TO ACCESS YOUR ACCOUNT STATEMENT USING USSD AND WEB PORTAL LINK

### WEB PORTAL LINK

>>Visit the web portal link below and click <https://members.psss.or.ke/>  
>>Select Login or register tab.



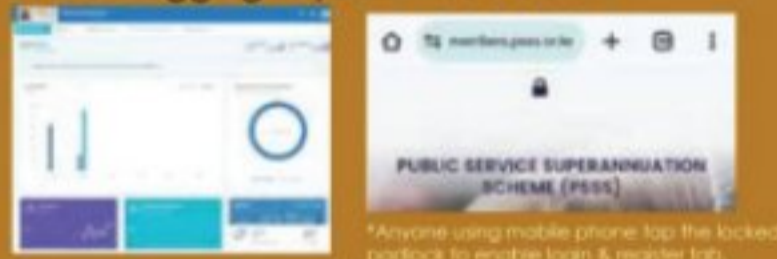
>>Register if you are first time user



>>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.

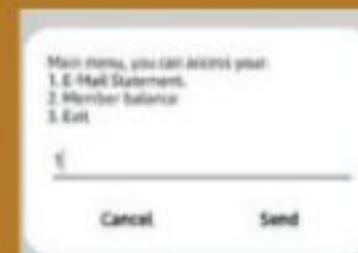
>>First prompt as a first time user you must register. So you will select option no. 3 and proceed to register



>>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

**Public Service Superannuation Scheme**

Address: P.o Box 3561- 00200 Nairobi, Kenya

Location: CBK Pension Tower, Harambee Ave, 1st Floor

Telephone: +254-746 111 777

Email: [info@pssf.go.ke](mailto:info@pssf.go.ke)

**CPF Financial Services - Administrator**

Phone: +254 111 114000

Email: [psss@cpf.or.ke](mailto:psss@cpf.or.ke)

Location: CPF House, Haile Selassie Rd

Address: P.O. Box 28938-00200, Nairobi



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## 10. How is the Scheme governed?

The Scheme is managed by a Board of Trustees. The composition of the Trustees draws representation from the employers in public service and members. Members are represented through the Kenya National Union of Teachers (KNUT), Kenya Union of Post Primary Education Teachers (KUPPET) and the Union of Kenya Civil Servants (UKCS).

In order to effectively discharge its functions, the Board of Trustees has established a Secretariat, headed by a Chief Executive Officer.

In addition, the Trustees have engaged the services of other professionals in accordance with the requirements of the PSSS Act and the Retirement Benefits Act. These firms are:

- a. Fund Administrator
- b. Fund Manager
- c. Fund Custodians

## 11. Other features of the Scheme

PSSS is registered and regulated by the Retirement Benefits Authority.

The Scheme is also registered by the Kenya Revenue Authority for tax exemption under the Income Tax Act. This implies that members get tax benefits for saving through the Scheme.

For instance, contributions by members are exempted from taxation up to a maximum of Kshs 20,000 per month at the point of contribution and Kshs 60,000 for each complete year of service upto a maximum of Kshs 600,000 at the point of payment.



## 12. How can one contact the Scheme?

 CBK Pension Towers, 1st Floor  
Harambee Avenue,  
P. O. Box 3561 - 00200,  
Nairobi, Kenya

 0746111777

 [info@pssf.go.ke](mailto:info@pssf.go.ke) /  
[psssreturns@pssf.go.ke](mailto:psssreturns@pssf.go.ke)

 [www.psss.go.ke](http://www.psss.go.ke)

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 @pssfkenya



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## PUBLIC SERVICE SUPERANNUATION FUND

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

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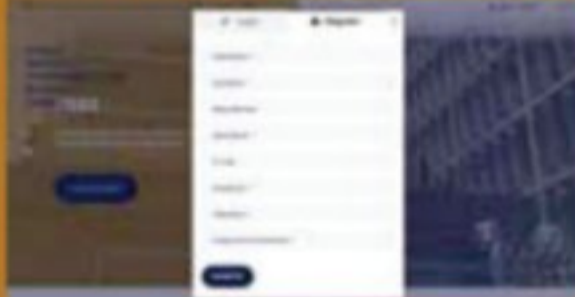
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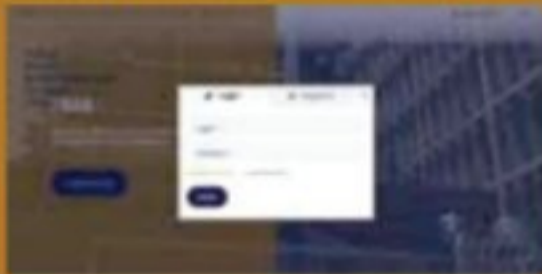
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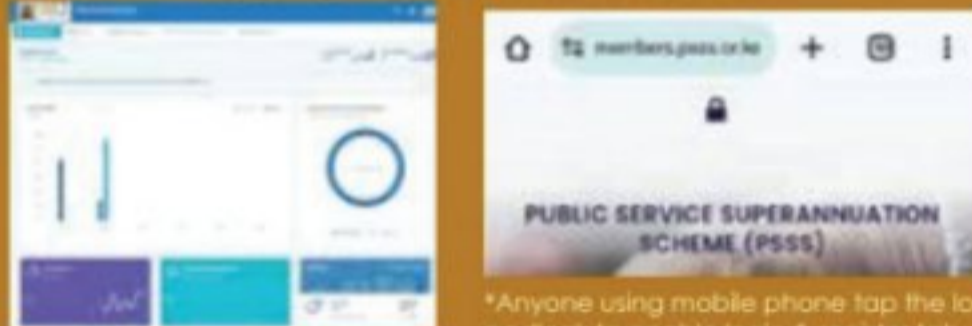
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Retirement