



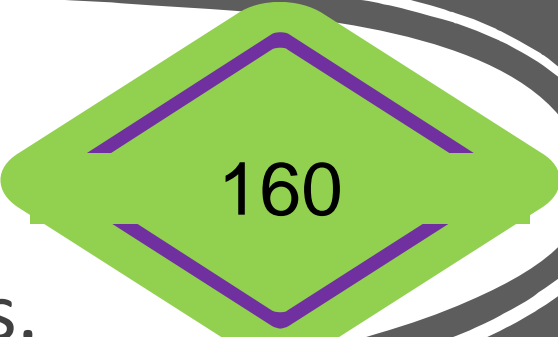
ENWEALTH BREAKFAST 2025 INDUSTRY UPDATES



THE HISTORY

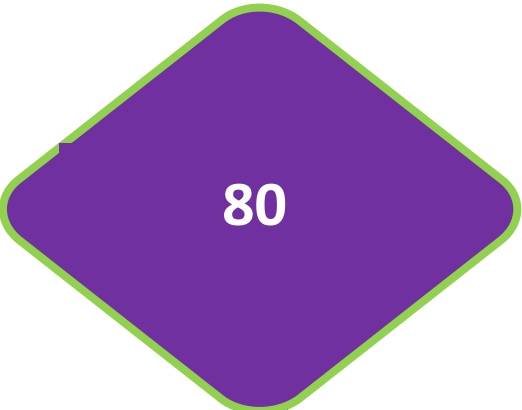
1977 - 2001

10% subject to monetary ceiling of Kshs.
160



1996 - 1977

10% subject to monetary ceiling of Kshs.
80



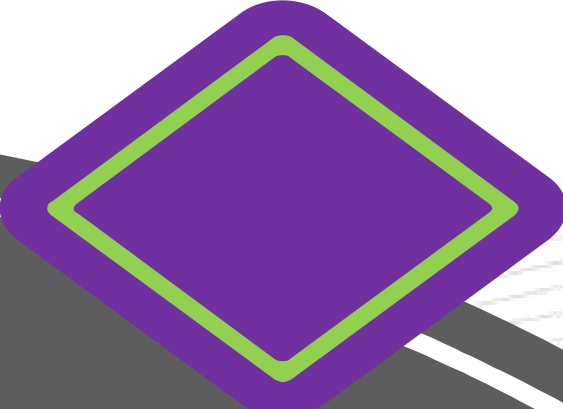
2001 – Jan 2023

10% subject to monetary ceiling of
Kshs. 400



From Feb 2023

12% of pensionable earnings



IMPACT OF CONTRIBUTIONS

PERIOD	MONTHLY CONTRIBUTIONS	ANNUAL CONTRIBUTIONS	TOTAL SAVINGS 10% RETURN FOR 35 YEARS
1996 - 1977	Kes. 80	Kes. 900	Kes. 260,183
1977 - 2001	Kes. 160	Kes. 1,920	Kes. 520,367
2001 – 2023	Kes. 400	Kes. 4,800	Kes. 1,300,917
2024 - Date	Kes. 4,320.	Kes. 51,840	Kes. 14,049,903

NSSF CONTRIBUTIONS

	Lower Earning Limit	Upper Earning Limit	Max. Contribution (EE+ER)
YEAR 1	6,000.00	18,000.00	2,160.00
YEAR 2	7,000.00	36,000.00	4,320.00
YEAR 3	8,000.00	72,000.00	8,640.00
YEAR 4	9,000.00	108,000.00	12,960.00
YEAR 5 ONWARDS	As gazette by the CS	144,000.00	17,280.00

The Contribution Journey

	Tier I		Tier II		Total
	Employee	Employer	Employee	Employer	
Year 1 (1 st Feb 23 – 31 st Jan 24)	360	360	720	720	2,160
Year 2 (1 st Feb 24 – 31 st Jan 25)	420	420	1,740	1,740	4,320
Year 3 (1 st Feb 25 – 31 st Jan 26)	480	480	3,840	3,840	8,640

	LEL – 8,000.00			UEL - 72,000.00			
	Tier I			Tier II			
Pensionable Earnings (Kshs)	Employee	Employer	Total Tier I	Employee	Employer	Total Tier II	TOTAL
15,000.00	480.00	480.00	960.00	420.00	420.00	840	1,800.00
50,000.00	480.00	480.00	960.00	2,520.00	2,520.00	5,040.00	6,000.00
72,000.00	480.00	480.00	960.00	3,840.00	3,840.00	7,680.00	8,640.00
80,000.00	480.00	480.00	960.00	3,840.00	3,840.00	7,680.00	8,640.00

APPROACHES BY EMPLOYERS



OPTION 1

Both Tier 1 & 2 contributions as top up to private scheme funding rates



OPTION 2

Both Tier 1 & 2 contributions as part of private pension scheme funding rates



OPTION 3

Only Tier 2 contributions is part of private pension scheme funding rates

IMPACT OF NEW NSSF RATES

Overall growth in Pension Assets under Management

The rise in NSSF contributions will lead to a higher AUM the pension sector as well as increase pension coverage.

Decline in provident Funds

This will be occasioned by increased accumulation of NSSF Tier 2 contributions (Pension in nature) in provident funds

Slower Growth of Private Pension Schemes

Private pension schemes will witness a slower growth as portion of contributions (Tier 1) is channeled to NSSF

Our market support



Operations

- Our Systems are configured to Administer NSSF Tier II contributions



Other Supports

- ✓ Review of Trust Deed Rules
- ✓ Review of Member Handbooks
- ✓ opt Out Applications
- ✓ Member Educations
- ✓ Sponsor Engagements



Umbrella Fund

- Onboarding of SMEs as participating sponsors

TAX AMENDMENTS LAWS 2024



TAX AMENDMENT LAWS 2024

1 **Increased Limit for Tax-Free Pension Contributions**

The tax-deductible contribution limit has been raised from KES 240,000 annually (KES 20,000 per month) to KES 360,000 annually (KES 30,000 per month).

Implications: This change reduces PAYE liabilities and increases disposable income for members contributing more than KES 30,000 per month.

2 **Tax-Deductible Contributions to Post-Retirement Medical Funds**

The Act introduced a tax-deductible limit of up to KES 15,000 per month for contributions to post-retirement medical funds

Implications: This provides immediate tax relief, encouraging healthcare savings for retirement.

TAX AMENDMENT LAWS 2024

3 Tax Exemption on Pension Benefits

Pension benefits from registered schemes are now exempt from income tax for individuals who:

- Have reached the retirement age as defined by their scheme.
- Withdraw due to ill health before retirement age.
- Withdraw after at least 20 years of membership.

Implications: This increases retirees' take-home benefits while discouraging early withdrawals before retirement age.

TREASURY CIRCULAR NO. 9/2024

3. Eligible Employees:

- a) All employees will be eligible to join a scheme if they are appointed on permanent and pensionable terms of service and are over eighteen (18) years.
- b) Employees on fixed contract terms of service can voluntarily join and contribute to retirement benefits schemes set up by their employers.
- c) Employers may remit monthly accrued gratuities to retirement benefits schemes on behalf of their employees. These benefits shall be payable in accordance with the scheme rules and upon expiry of the contract term.
- d) An employee shall be eligible for either a pension or a gratuity but not both benefits.
- e) Schemes shall make the necessary amendments to their rules to accommodate employees on fixed-term contracts.



CONTACT US

Enwealth Financial Services (K) Ltd.

Morningside Office Park,
1st Floor Suite D2, Ngong Road
P.O Box 52840-00200 Nairobi, Kenya

Pilot Line: +254 20 2788000

Tel: +254 20 8160312 , 20 2319162 , 20 2316467

Mobile: +254 727 617 443 , +254 788 617 443

Email: info@enwealth.co.ke

Website: www.enwealth.co.ke

