



Retirement Benefits Authority

**Shaping the Future of Retirement Through
Effective & Sustainable Governance:**
Emerging Regulatory Updates

*Ocean Beach Resort and Spa
Malindi*

October 28th 2025



RBA'S MANDATE



**Regulate and supervise -
establishment and
management of retirement
benefits schemes**



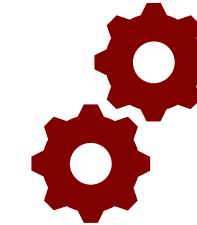
**Protect - interests of
members and sponsors**



**Promote - Development of
the retirement benefits
sector**



**Advise - The Cabinet
Secretary for the National
Treasury**



**Implement - Government
policies relating thereto**

Vision: "Dignity in Retirement"



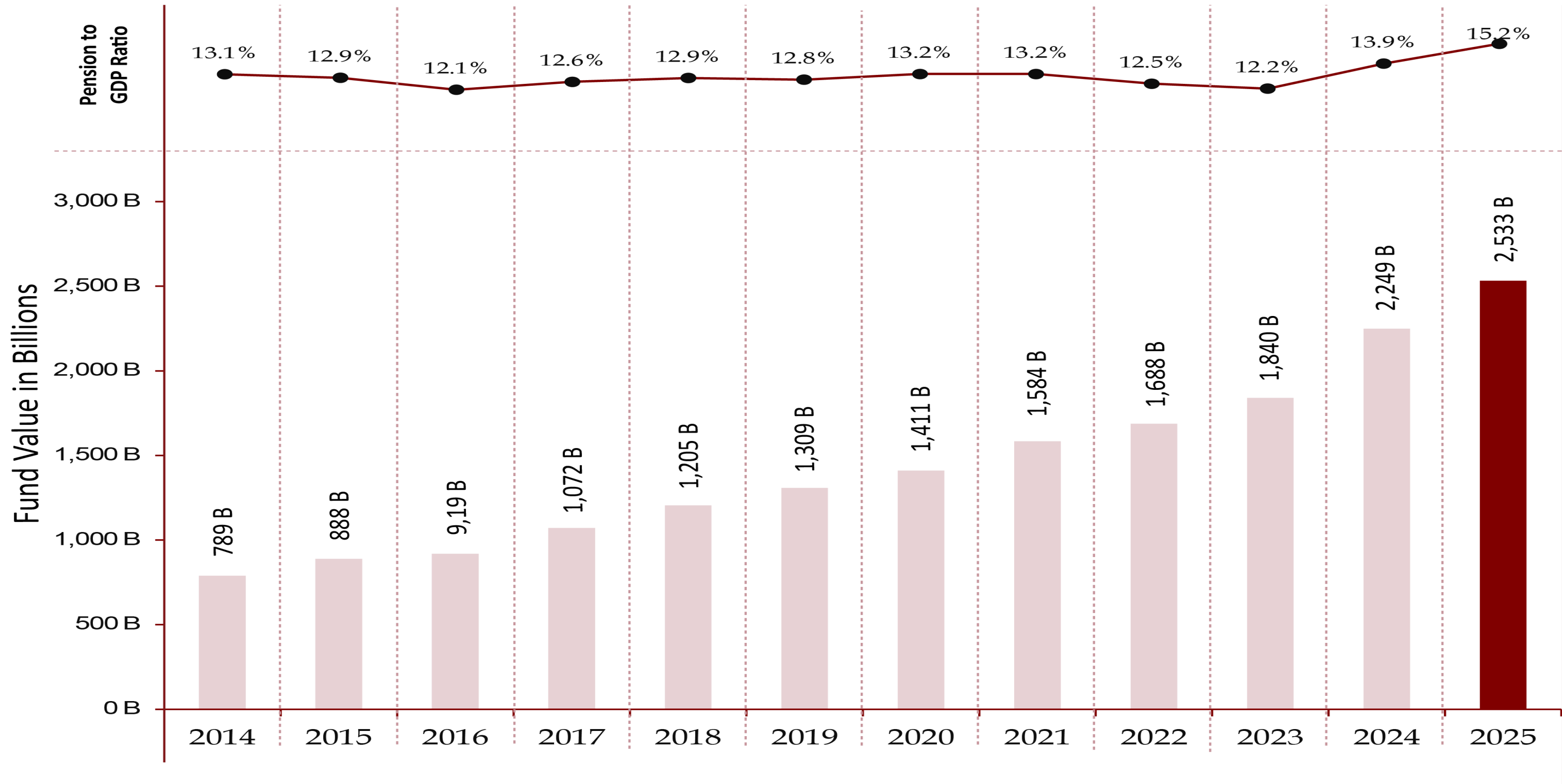
Retirement Benefits Authority

INDUSTRY OVERVIEW



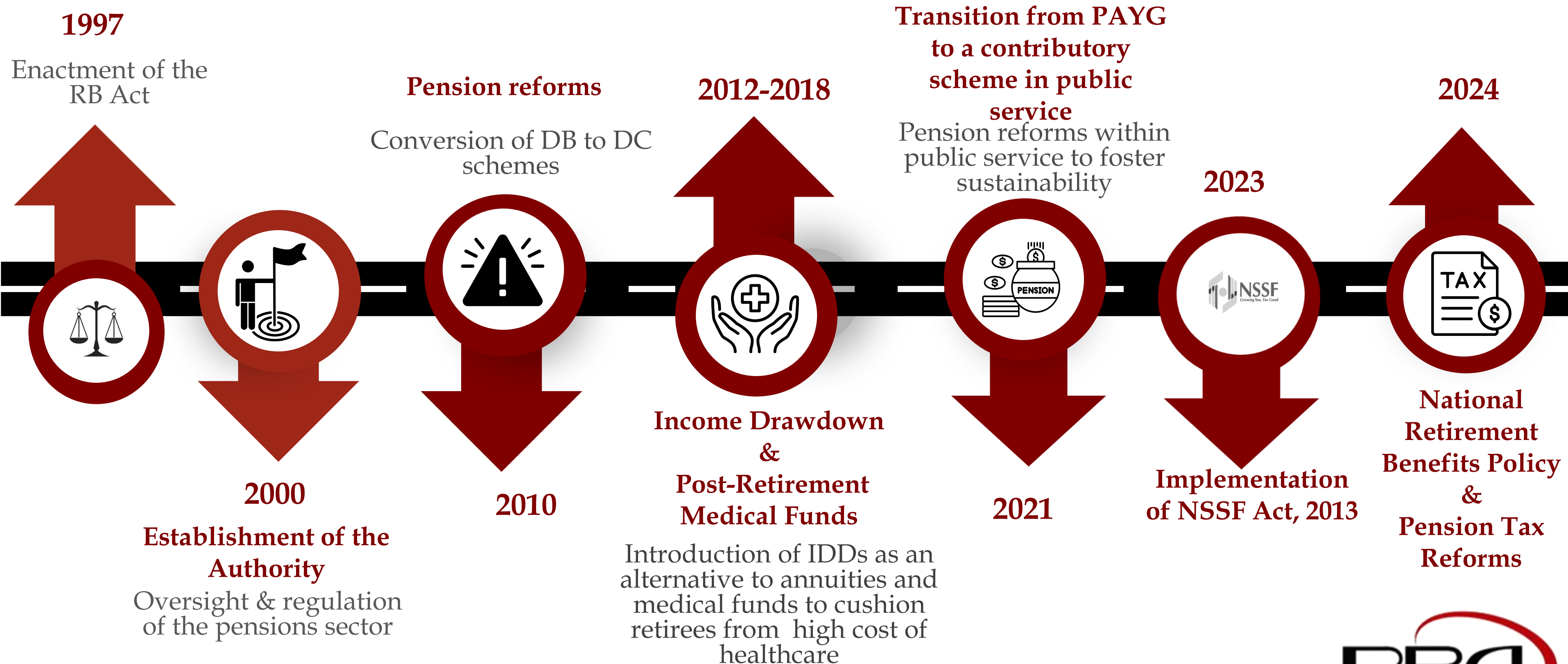
The industry has continued to record growth across all key metrics, including **total pension assets**, **membership**, and **pension coverage**. The industry is on track to attaining a target of Ksh 3.4 trillion, as outlined in the **Strategic Plan 2024-2029**.

GROWTH IN FUND VALUE



* 2025 Figures are as of June 2025

KEY MILESTONES IN THE SECTOR



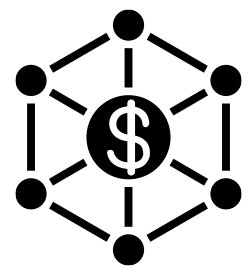
CONTINUED IMPLEMENTATION OF THE NSSF ACT (2013)

The main objective of the NSSF, 2013 is to enhance savings and ensure adequacy of benefits for workers in the long run. The act imposes a contribution rate of 6% for both the employer and employees. Since higher deductions began in February 2023, Kenyans have saved over Ksh 250 billion.



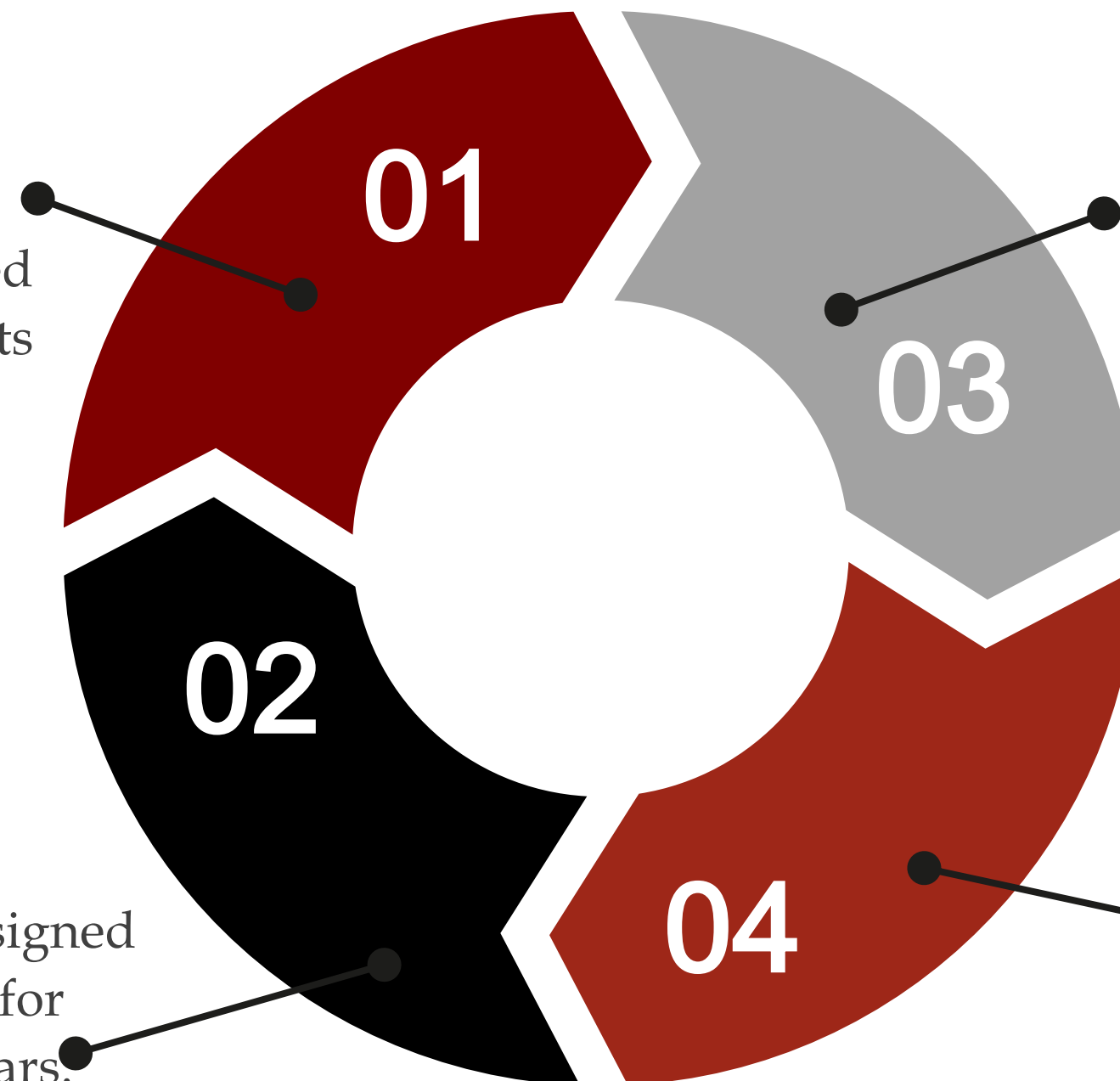
■ Increased pension Savings

Increased Savings through enhanced contributions have seen NSSF Assets grow to over KSh. 558 billion.



■ Enhanced Financial Security

The increased contributions are designed to provide better financial stability for workers during their retirement years.



■ Increased Investment

Due to higher savings, NSSF is looking to invest in PPPs



■ Challenges for private pension industry

However, there is still need to deal with implementation challenges faced by schemes such as difficulty in opting out of Tier II contribution remittance to NSSF.

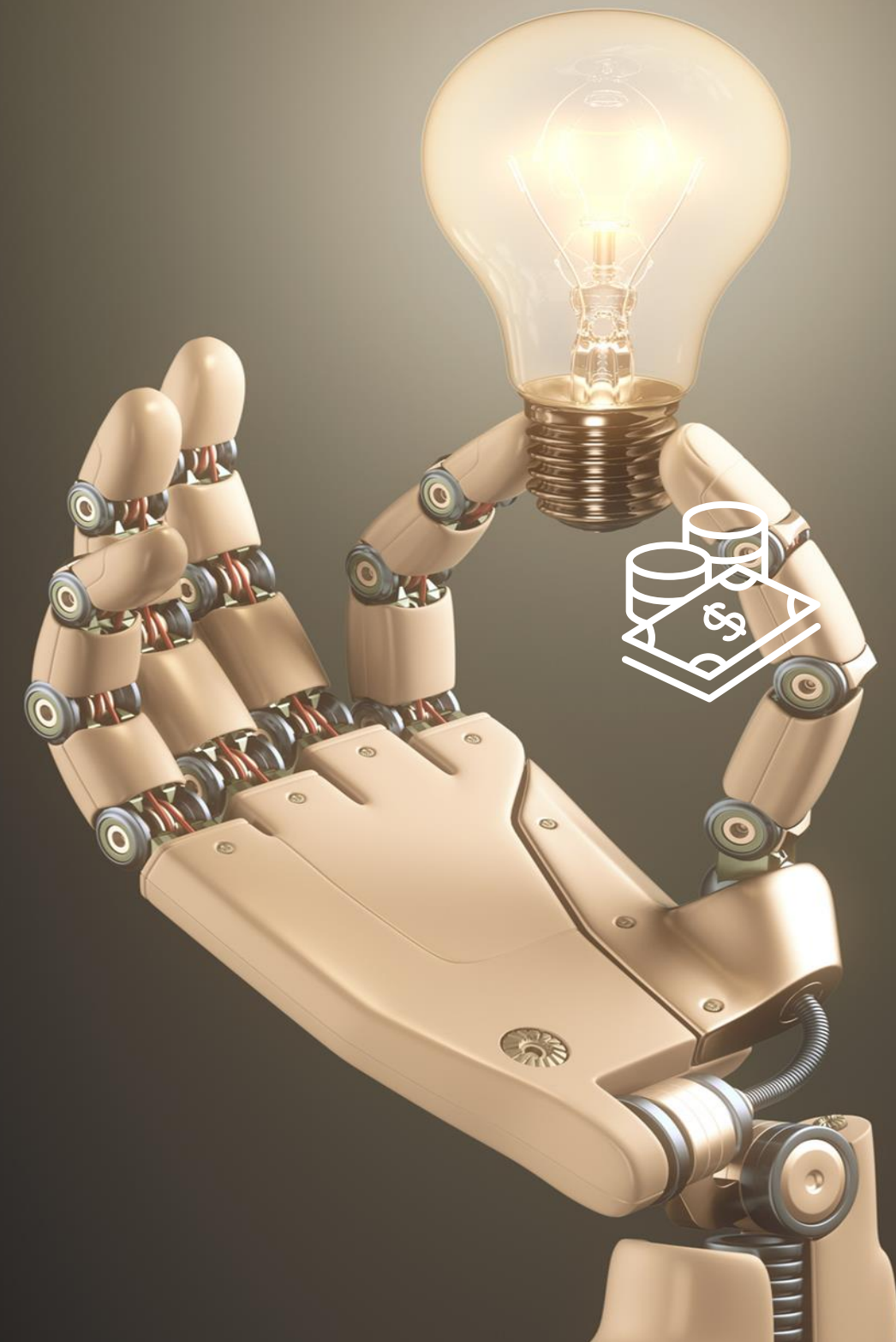
POLICY IMPLEMENTATION: PROGRESS ON THE NRBP

1. Adequacy of retirement benefits

- a. Proposal for preservation of benefits
- b. Exemption of tax on benefits
- c. Implementation NSSF Act, 2013
- d. Introduce sub-accounts to address short-term needs

2. Enhance Coverage

- a. Tax reforms which provide incentives to employers and individuals
- b. Ongoing literacy programs
- c. Participation of contractual employees in schemes



POLICY IMPLEMENTATION: PROGRESS ON THE NRBP

3. Sustainability of the Retirement Benefits System

- a. Diversification of investments e.g infrastructure backed debt and equity
- b. Members' choice in investments
- c. Specialized fund management mandates
- d. ESG guidelines

4. Innovations in the RB Sector

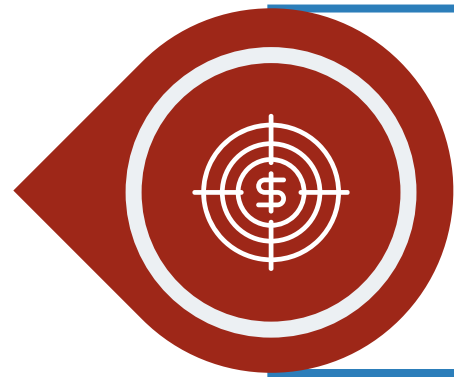
- a. Post-Retirement Medical Funds (PRMF)
- b. ICT platforms to expand coverage to informal sector
- c. Sub-accounts to support short-term needs
- d. Expansion of retirement products outside annuities & IDD



TRUSTEE TERM LIMIT REVISION

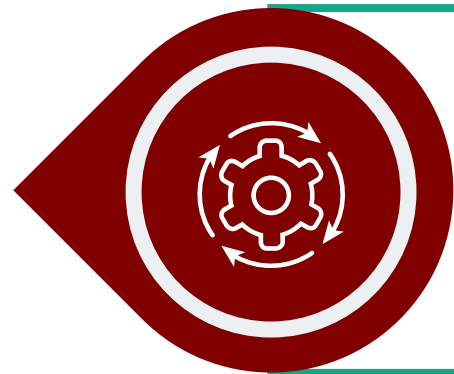
Through legal notices 126 and 127, the trustee term limit was **extended** from **3 years to 5 years**, renewable once

BENEFITS:



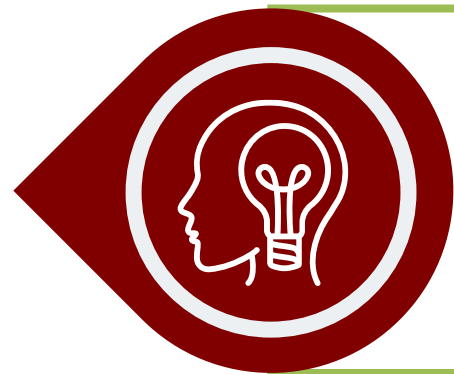
Strategic Execution:

Longer tenure enables effective implementation of plans



Operational Stability:

Seamless investment management and scheme oversight by reducing transitions.



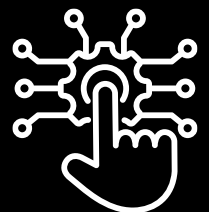
Enhanced Expertise

Fosters deeper knowledge and stronger governance by retaining experienced and trained trustees



EMERGING TRENDS IN PENSION REGULATION & GOVERNANCE

Other global best practices in pension regulation and governance that the RBA looks to emulate include:



Digital Transformation & Reg -Tech

- Adoption of Integrated Pension Information Management Systems for real-time compliance and reporting.
- Use of Regulatory Technology tools for automated compliance, KYC, and risk monitoring.



ESG & Sustainable Investing

- Growing emphasis on Environmental, Social, and Governance (ESG) principles in investment decisions.
- Regulatory encouragement for green and impact investments to align with sustainability goals



Alternative Investments

- Diversification beyond government securities into private equity, infrastructure, and green bonds.
- Push to unlock pensions as growth capital for the economy

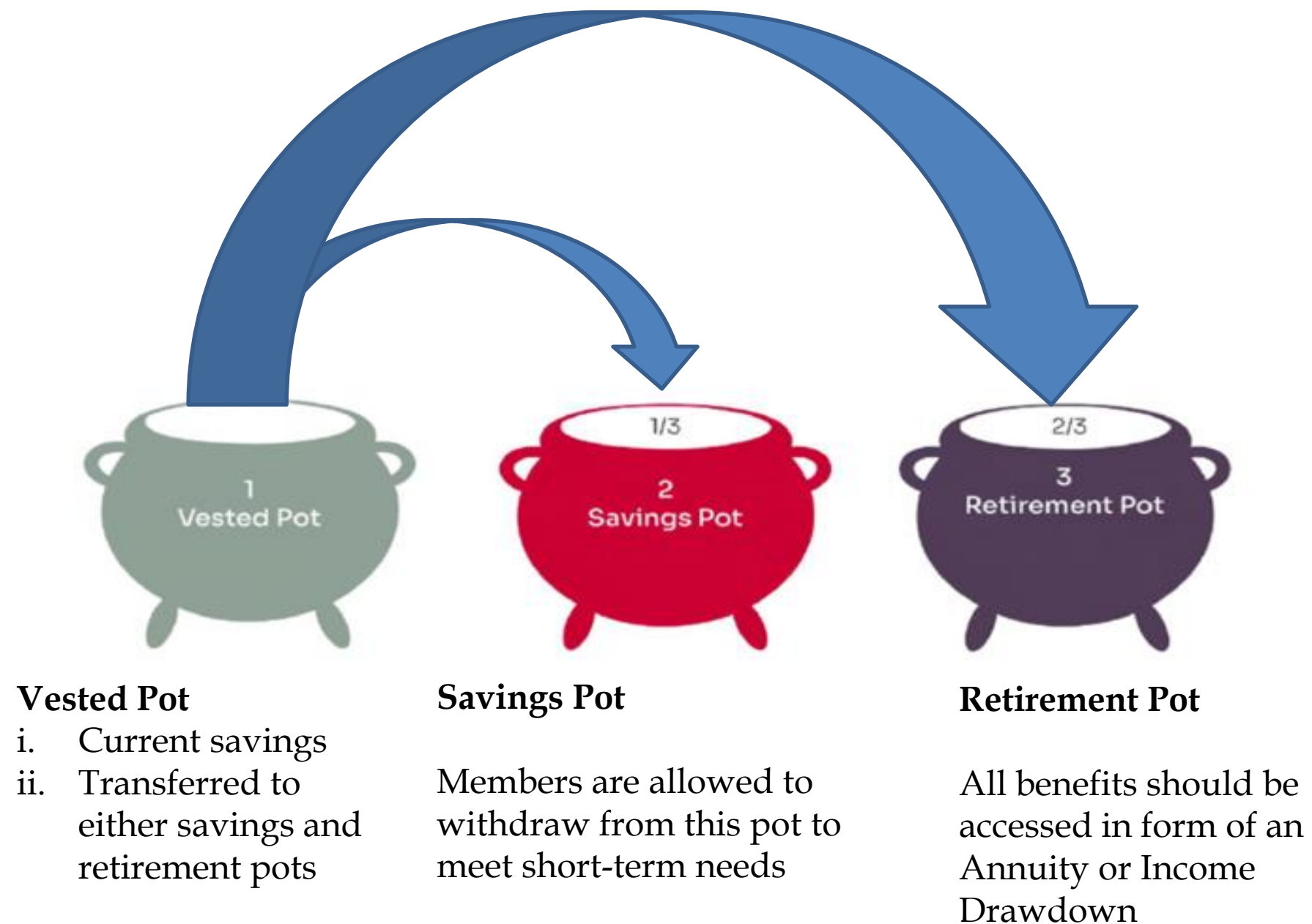


Micro-Pensions & Informal Sector Inclusion

- Expansion of micro-pension products targeting the 83% workforce in the informal sector.
- Mobile-based platforms for low-cost, flexible contributions.

MOVING FORWARD: DISRUPTING THE NORM

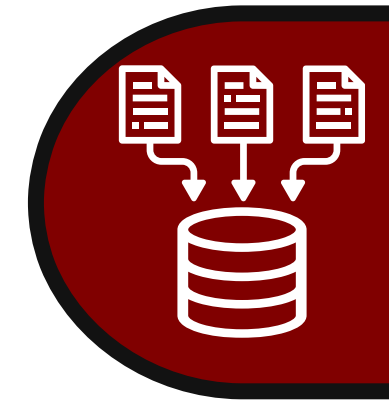
PROPOSAL FOR ATWO-POT PENSION SYSTEM



This model effectively **eliminates Provident Funds** and **increases preservation** while **encouraging savings**

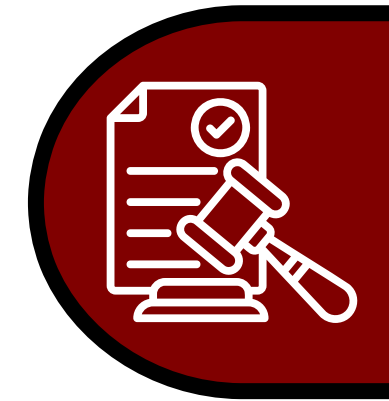
Expected outcome – Boost **adequacy** of retirement benefits and **level of coverage**

MOVING FORWARD: OTHER PROPOSED KEY POLICY CHANGES



Unremitted Contribution Collection

Amendment of sect 53B of the Retirement Benefits to provide a procedure collection of the unremitted contribution by KRA as an agent



Regulation and supervision of Trust Funds

Proposal to include regulation and supervision of trust funds used for the payment of minors and other legally incompetent beneficiaries under RBA.



Preservation of Retirement Benefits

It is proposed that early access of retirement benefits before retirement be progressively limited to AVC only.



Prohibition of Investment in Immovable Assets

Umbrella Retirement Benefits Schemes Regulations be amended to limit the permitted asset classes of investments to readily tradeable assets only.

RBA

Retirement Benefits Authority

Safeguarding your retirement benefits.

Thank you

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