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**KENYA GAZETTE SUPPLEMENT**

**NATIONAL ASSEMBLY BILLS, 2025**

**NAIROBI, 16th July, 2025**

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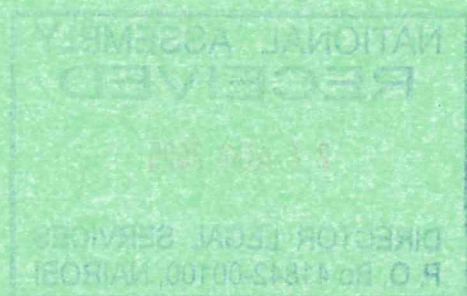
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**NATIONAL ASSEMBLY  
RECEIVED**

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**DIRECTOR LEGAL SERVICES  
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**THE PUBLIC SERVICE SUPERANNUATION  
SCHEME (AMENDMENT) BILL, 2025**

**A Bill for**

**AN ACT of Parliament to amend the Public Service  
Superannuation Scheme Act.**

**ENACTED** by the Parliament of Kenya, as follows—

1. This Act may be cited as the Public Service Superannuation Scheme (Amendment) Act, 2025.

Short title.

2. Section 2 of the Public Service Superannuation Scheme Act, (herein after referred to as the “principal Act”) is amended by—

Amendment of  
section 2 of Cap.  
189A.

(a) inserting the following new definitions in proper alphabetical sequence—

“beneficiary” means a person nominated by a member in writing, or any other person other than a member entitled to receive a benefit under the Scheme;

“deferred member” means a member who has left the pensionable service of an employer but has left all or part of his or her retirement savings in the Scheme;

“employer” means—

- (a) the Teachers Service Commission;
  - (b) the National Police Service Commission or an authorized officer duly appointed by the National Police Service Commission;
  - (c) the Public Service Commission or an authorized officer duly appointed by the Public Service Commission.;
  - (d) any other employer that the Cabinet Secretary may determine to be a public service for the purposes of this Act.
- (b) deleting the definition of “administrator” and substituting therefor the following new definition—



“administrator” means the person appointed under a written instrument by the Board under section 35 to manage the administrative affairs of the Scheme;

3. Section 5 of the principal Act is amended in subsection (3) by inserting the words “a deferred member or” immediately after the words “other than”.

Amendment of section 5 of Cap. 189A.

4. Section 6 of the principal Act is amended—

Amendment of section 6 of Cap. 189A.

(a) in subsection (1) by inserting the words “not less than” immediately after the words “rate of”;

(i) by deleting the proviso to subsection (1) and substituting therefor the following new proviso—

Provided that where the employer fails to deduct a member’s contribution, the sum shall be recovered in the subsequent month and a penalty at the rate of the return of the Scheme for the previous financial year shall be payable by the employer.

(ii) by inserting the following new subsection immediately after subsection (2)—

(2A) The Cabinet Secretary may, by notice in the *Gazette*, vary the rates in subsection (1) and (2) after consultations with the members and the Board.

(iii) in subsection (4) by deleting the word “Government” and substituting therefor the word “employer”.

5. Section 7 of the principal Act is amended in subsection (2) by deleting the word “Government” and substituting therefor the word “employer”.

Amendment of section 7 of Cap. 189A.

6. Section 8 of the principal Act is amended—

Amendment of section 8 of Cap. 189A.

(a) by deleting paragraph (a);

(b) by deleting the words “the member’s and” appearing in paragraph (c).

7. The principal Act is amended by inserting the following new section immediately after section 8—

Insertion of new section 8A in Cap. 189A.

Obligation of the employer.

8A. An employer shall—



deduct and remit to the Custodian a member's monthly contribution from the member's monthly salary not later than ten working days after the end of the month in which the contributions fall due; and

ensure that the Government's contribution is remitted in accordance with section 6(2).

8. The principal Act is amended by inserting the following new section immediately after the proposed new section 8A—

Insertion of new section 8B in Cap.189A.

**8B.** (1) There shall be a Public Service Superannuation Scheme Fund, which shall vest in and be operated and managed by the Board.

The Public Service Superannuation Scheme Fund.

(2) There shall be paid—

- (a) into the Fund all contributions and any other payments required by this Act to be paid into the Fund; and
- (b) out of the Fund, all the benefits and any other payments required under the provisions of this Act to be paid out of the Fund.

9. Part III of the principal Act is amended by deleting the title of Part III and substituting therefor the following new title—

Amendment to the heading of Part III of Cap. 189A.

**THE PUBLIC SERVICE SUPERANNUATION SCHEME BOARD OF TRUSTEES**

10. The principal Act is amended by repealing section 9.

Repeal of section 10 of Cap.189A.

11. Section 10 of the principal Act is amended by—

Repeal and replacement of section 10 of Cap. 189A.

(a) deleting subsection (1) and substituting therefor the following new subsection—

- (1) There is established a board of trustees of the Scheme to be known as the Public Service Superannuation Scheme Board of Trustees, which shall consist of—



- (a) a Chairperson who shall be appointed by the President and who—
  - (i) has a bachelor's degree in human resource, pension administration, actuarial science, banking, insurance, finance, accounting, economics, auditing, law or any other relevant field;
  - (ii) has an aggregate of at least twenty years' experience, ten of which should have been served in a senior management position in a relevant field; and
  - (iii) is not in the service of any employers' or worker's representatives or any person affiliated to any of the organizations represented on the Board.
- (b) one person nominated by the Principal Secretary in the Ministry for the time being responsible for matters relating to finance;
- (c) one person nominated by the Principal Secretary in the Ministry for the time being responsible for matters relating to the public service;
- (d) one person nominated by the Secretary to the Teachers Service Commission;
- (e) one person nominated by the Secretary to the Public Service Commission;
- (f) one person nominated by the Secretary to the National Police Service Commission;
- (g) one person nominated by the Kenya National Union of Teachers;
- (h) one person nominated by the Kenya Union of Post Primary Education Teachers;



- (i) one person nominated by the Union of Kenya Civil Servants;
- (j) one person nominated by employees of the Disciplined Services;
- (k) one person nominated by employees of any other employers recognized in this Act; and
- (l) the Chief Executive Officer appointed under section 20, who shall be an *ex-officio* member and who shall not be entitled to vote on any matter before the Board.

(b) inserting the following new subsections immediately after subsection (1)—

(1A) for the purposes of subsection (1)(j), “Disciplined Services” means the National Police Service, the Kenya Prisons Service and the National Youth Service.

(1B) For purposes of identifying a nominee under subsection (1)(j), the Disciplined Services shall nominate their representatives on a rotational basis in accordance with policies developed by the Board.

12. Section 13(2)(a) of the principal Act is amended by deleting the word “three” and substituting therefor word “two”.

Amendment of  
section 13 of  
Cap.189A.

13. Section 18 of the principal Act is amended by deleting the words “the Cabinet Secretary may, from time to time, approve” and substituting therefore words “approved by members during a properly constituted general meeting after every three years”.

Amendment of  
section 18 of  
Cap.189A.

14. Section 20 the principal Act is amended in subsection (2) by inserting the words “economics, auditing, human resource management, law, pension administration or any other relevant field” immediately after the word “accounting”.

Amendment of  
section 20 of  
Cap.189A.

15. Section 22 of the principal Act is amended by inserting the following new subsection —

Amendment of  
section 22 of  
Cap.189A.



(2) Notwithstanding subsection (1), the Board shall not delegate its discretionary powers to any of its appointed agents.

**16.** The principal Act is amended by repealing section 25 and replacing it with the following new section—

Repeal and replacement of section 25 of Cap.189A.

Vesting of benefits.

**25.** All retirement savings shall immediately vest in a member.

**17.** The principal Act is amended by repealing section 26 and replacing it with the following new section—

Repeal and replacement of section 26 of Cap.189A.

Access to accrued retirement savings account.  
Cap. 197.

**26.** A member may access accrued retirement savings on leaving employment before retirement in accordance with the Retirement Benefits Act.

**18.** Section 27 of the principal Act is amended—

Amendment of section 27 of Cap.189A.

(a) in subsection (1) by deleting paragraph (h);

(b) by deleting subsection (4).

**19.** Section 28 of the principal Act is amended in subsection (2)—

Amendment of section 28 of Cap.189A.

(a) by deleting the word “may” and substituting therefor word “shall”;

(b) by deleting paragraph (a) and substituting with the following new paragraph—

(i) monthly or quarterly withdrawals from an Income Drawdown Plan;

**20.** Section 30 of the principal Act is amended—

Amendment of section 30 of Cap.189A.

(a) by deleting the words “the Administrator shall apply the” and substituting therefor the words “the Board shall apply the accrued benefits and the”;

(b) by inserting the following new proviso immediately after section 30—

Provided that the benefits payable under this section may be accessed in form of a one-off lumpsum payment to the beneficiaries.

**21.** The principal Act is amended by repealing section 32 and replacing it with the following new section—

Repeal and replacement of section 32 of Cap.189A .



Death in retirement.

**32.** Where a member who was receiving a retirement benefit dies while in retirement, the beneficiaries shall be paid a pension that is equivalent to the unutilized balance of his or her retirement benefits in accordance with the terms of the annuity or Income Drawdown plan that the member opted for under section 28(2).

**22.** Section 33 of the principal Act is amended by deleting the words “or from the Government to a county government and vice versa”.

Amendment of section 33 of Cap.189A.

**23.** The principal Act is amended by inserting the following new section immediately after section 33—

Transfer of the balance of the retirement savings account.

**33A.** A member who exits public service may transfer the aggregate of his or her retirement savings account to another registered Scheme.

Insertion of section 33A of Cap.189A.

**24.** Section 35 of the principal Act is amended by inserting the following new subsection immediately after subsection (2)—

Amendment of section 35 of Cap.189A.

(3) The terms of appointment of the Administrator shall be determined by the Board and set out in a written instrument.

**25.** Section 36 of the principal Act is amended—

Amendment of section 36 of Cap.189A.

(a) in the opening statement by deleting the word “shall” appearing immediately after the word “Board” and substituting therefor the word “may”;

(b) by inserting the following new subsection—

(2) The terms of appointment of a Fund Manager shall be determined by the Board and set out in a written instrument:

Provided that the period of service of a Fund Manager shall not exceed three years but shall be renewable subject to satisfactory performance.

**26.** Section 37 of the principal Act is amended by inserting the following new subsection—

Amendment of section 37 of Cap.189A.

(2) The terms of appointment of a Custodian shall be determined by the Board and set out in a written instrument:



Provided that the period of service of a Custodian shall not exceed three years but shall be renewable subject to satisfactory performance.

**27.** The principal Act is amended by inserting the following new section immediately after section 38 —

Insertion of a new section 38A of Cap.189A.

Scheme Annual General Meeting.

**38A.** (1) The Board shall, at the Scheme's expense, within six months of the end of the financial year of the Scheme, convene a general meeting of the members of the Scheme.

Cap.197.

(2) The general meeting shall be conducted in accordance with the provisions of the Retirement Benefits Act and the regulations prescribed under this Act.

**28.** The principal Act is amended by repealing section 39 and replacing it with the following new section —

Repeal and replacement of section 39 of Cap.189A.

Administrative expenses of the Scheme.

**39.**(1) The Board shall meet administrative expenses of the Scheme from the Scheme Fund.

(2) The administrative expenses referred to in subsection (1) shall not exceed one per cent of the total Scheme assets.

(3) The Board may open an account into which the funds to be used for defraying the expenses referred to in subsection (1) may be paid.

**29.** The principal Act is amended by repealing section 40.

Repeal of section 40 of Cap. 189A.

**30.** Section 41 of the principal Act is amended in subsection (1) by deleting the words "there shall be maintained" and substituting therefor the words "the Board may maintain".

Amendment of section 41 of Cap. 189A.

**31.** Section 43 of the principal Act is amended —

Amendment of section 43 of Cap. 189A.

(a) in subsection (1) by deleting the word "Fund" and substituting therefor the word "Scheme"

(b) by deleting subsection (2) and substituting therefor the following new subsection —



(2) The annual estimates shall be prepared at least three months before commencement of the financial year to which they relate and shall be submitted to the Board for approval.

(c) by deleting subsection (3) and substituting therefor the following new subsection —

(3) The annual estimates shall make provision for all the estimated expenditure of the Scheme for the financial year and in particular, the estimates shall provide for—

- (a) the payment of the Board expenses, employees' salaries, allowances and other charges in respect of the staff of the Fund;
  - (b) the payment of pensions, gratuities and other charges in respect of the retirement benefits due to the staff of the Scheme;
  - (c) the proper maintenance of the buildings and grounds of the Scheme;
  - (d) the maintenance, repair and replacement of the equipment and other property of the Scheme;
  - (e) the creation of such reserve funds to meet future or contingent liabilities in respect of retirement benefits, insurance or replacement of buildings or equipment, or in respect of such other matter as the Board may deem appropriate; and
  - (f) any other administrative costs of the Scheme.
- (d) by deleting subsection (4).

**32.** Section 44 of the principal Act is amended —

Amendment of  
section 44 of Cap.  
189A.

- (a) in subsection (1) by deleting the word “Fund” and substituting therefor the word “Scheme”;
- (b) by deleting subsection (2) and substituting therefor the following new subsection—

(3) The Board shall cause accounts of the Scheme to be prepared and be submitted for auditing and reporting annually by the Auditor-General or an auditor appointed by the Board.

Cap. 412B

**33.** The principal Act is amended by repealing section 45.

Repeal of section  
45 of Cap. 189A.



**34.** The principal Act is amended by repealing section 49 and replacing it with the following new section—

Repeal and replacement of section 49 of Cap. 189A.

**49.** A person convicted of an offence under this Act shall cease to be a member of the Board upon conviction.

**35.** The principal Act is amended by deleting Section 50 and substituting therefor the following new section—

Repeal and replacement of section 50 of Cap. 189A.

The right to retirement benefits of members before commencement of this Act.

**50.** (1) The right to retirement benefits of a member who was, as at 1st January, 2021, already covered under any other pension scheme existing before the 1st January, 2021 and whose benefits were payable under the Pensions Act, and the Widows and Children Pensions Scheme Act, for the duration of pensionable service before the 1st January, 2021 shall accrue under that pension scheme and shall be payable by the Director of Pensions in accordance with the Pensions Act and the Widows and Children Pensions Scheme Act.

Cap. 189.  
Cap 195.

(2) The Government shall—

- (a) determine the value of benefits relating to service under other pension schemes existing before the commencement of this Act through an actuarial valuation of the benefits entitled to each member as at the date of joining the Scheme;
- (b) revalue the benefits determined under paragraph (a) at a rate of five percent per year up to the date of a member's exit from the Scheme; and
- (c) within six (6) months of the commencement of this Act, issue a letter recognizing accrued benefits of members referred to in subsection (1) as at 31st December 2020.



(3) The pension benefits of a member for the duration of pensionable service served before the 1st January, 2021, shall be deferred until retirement under section 27 of this Act, except in the case of the death in service of a member.

(4) The pension payable to a member whose pension benefits have been deferred under subsection (2) shall be determined through an actuarial valuation and paid to the member in accordance with the Pensions Act and the Widows and Children Pensions Scheme Act, upon retirement under section 27 or upon the death in service of the member.

Cap 189.  
Cap 195.

**36.** Section 55 of the principal Act is amended by inserting the following new paragraph immediately after paragraph (b)—

Amendment of section 55 of Cap 189A.

(c) the establishment of a post-retirement medical fund within the Scheme.

**37.** The principal Act is amended by inserting the following new section immediately after section 56—

Insertion of a new section 56A in Cap 189A.

Exemption from compliance with provisions of this Act.

**56A.** The Cabinet Secretary may, by order published in the *Gazette* and with the concurrence of the Retirement Benefits Authority—

- (a) exempt the Board from compliance with any specified provisions of this Act; or
- (b) extend the time for compliance by the Board with any specified provisions of this Act:

Provided that nothing in this section shall apply in respect of payment of retirement benefits and any of the provisions of Part IV of this Act.

**38.** The principal Act is amended by inserting the following new section immediately after the proposed new section 56A—

Insertion of a new section 56B in Cap 189A.



Exemptions from the  
Unclaimed Financial  
Assets Act.  
Cap. 494

**56B.** The provisions of the Unclaimed Financial Assets Act shall not apply to the Scheme.

**39.** The principal Act is amended by inserting the following new section immediately after the proposed new section 56B—

Insertion of a new  
section 56C in  
Cap 189A.

Transitional  
provision.

**56C.** The members of the Board serving immediately before the commencement of this Act shall serve until the end of their respective terms.

**40.** Section 2 of the State Corporations Act is amended in the definition of ‘State Corporation’ by inserting the following new subparagraph immediately after subparagraph (b) (viii)—

Consequential  
Amendment of  
section 2 of the  
State Corporations  
Act.

(ix) the Public Service Superannuation Scheme established under the Public Service Superannuation Scheme Act.

Cap. 189A.

**41.** The first schedule of the National Social Security Fund Act is amended in paragraph (3) by inserting the expression “Tier I and” immediately after the words “exempt from”.

Amendment of the  
first schedule to  
Cap. 258.



## **MEMORANDUM OF OBJECTS AND REASONS**

The Bill proposes to amend the Public Service Superannuation Scheme Act (Cap. 189A) to streamline the governance and administration of the Scheme.

**Clause 1** of the Bill is the short title.

**Clause 2** of the Bill contains amendments to definitions in alignment with the new proposals.

**Clause 3** of the Bill proposes to amend section 5 of the Act to provide clarity on the membership of the scheme.

**Clause 4** of the Bill seeks to amend section 6 of the Act to affirm the role of the employer on contributions to the scheme.

**Clause 5** of the Bill proposes to amend section 7 of the Act to replace the government with the employer.

**Clause 6** of the Bill seeks to amend section 8 of the Act by clarifying the obligation of the government on members' monthly deductions.

**Clause 7** of the Bill proposes to introduce a new section 8A to the Act to expand the obligations of the employer in relation to members' monthly contribution.

**Clause 8** of the Bill contains a proposed new section 8B to the Act to provide for the establishment of the Public Service Superannuation Scheme Fund which shall be administered by the Board.

**Clause 9** of the Bill proposes to amend the title of Part III of the Act by introducing a new title that aligns with the provisions of Part III of the Act on the Public Service Superannuation Scheme Board of Trustees.

**Clause 10** of the Bill seeks to repeal section 9 of the Act on the establishment of the Public Service Superannuation Scheme Fund as it has been established under clause 8.

**Clause 11** of the Bill proposes to amend section 10 of the Act to streamline the governance of the Public Service Superannuation Fund Board of Trustees in line with the Retirement Benefits Act (Cap. 197)

**Clause 12** of the Bill seeks to amend section 13(2) (a) of the Act by reducing the number of meetings a trustee of the Fund may be absent, from three to two meetings.

**Clause 13** of the Bill amends the Act by amending section 18 to allow members of the Scheme to determine the remuneration of the trustees.



**Clause 14** of the Bill seeks to amend section 20 of the Act to broaden the qualifications of the Chief Executive Officer of the Board.

**Clause 15** of the Bill proposes to amend the Act, in section 22, by barring the Board from delegating its discretionary powers to any of its appointed agents.

**Clause 16** of the Bill further seeks to amend the Act, by repealing section 25, and replacing with a new provision providing for all retirement savings to vest in the member.

**Clause 17** of the Bill proposes to repeal section 26 of the Act and replace with a provision that allows a member to access accrued retirement savings on leaving employment before retirement.

**Clause 18** of the Bill further proposes to amend section 27 of the Act by deleting subsection (1) (h) and subsection (4) on retirement of a member from the public service.

**Clause 19** of the Bill contains amendment to section 28 of the Act by providing more clarity on the payment of retirement benefits.

**Clause 20** of the Bill proposes to amend the Act in section 30 to remove the administrator of an estate as the applicant for benefits and replacing with the Board and a proviso on the accessibility of the benefits.

**Clause 21** of the Bill seeks to amend the Act by repealing section 32 and replacing it with a new provision on payment of benefits to beneficiaries upon the death of retired member.

**Clause 22** of the Bill contains amendment to section 33 of the Act by deleting the words “or from the Government to a county government and vice versa” to correct a typographical error in the section.

**Clause 23** of the Bill proposes to amend section 33 by inserting a new section 33A to provide for transfer of the balance of the retirements savings account.

**Clause 24** of the Bill seeks to amend the Act in section 35 to include a new subsection which provides that the terms of appointment of the Administrator shall be determined by the Board and set out in a written instrument.

**Clause 25** of the Bill seeks to amend the Act in section 36 to give clarity to the appointment, functions and term of the manager.

**Clause 26** of the Bill proposes to amend the Act in section 37 to give clarity to the appointment, functions and term of the custodian.



**Clause 27** of the Bill proposes to amend section 38 of the Act by inserting a new section 38A which provides for the Scheme Annual General Meeting.

**Clause 28** of the Bill seeks to repeal section 39 of the Act and replace with a new section 39 to provide for administrative expenses of the Scheme.

**Clause 29** of the Bill proposes to repeal section 40 of the Act on investment of surplus funds.

**Clause 30** of the Bill seeks to amend section 41 of the Act to give the Board the duty to maintain the reserve account of the Fund.

**Clause 31** of the Bill seeks to amend section 43 of the Act by deleting the word “Fund” and substituting it with the word “Scheme” and to further clarify on the preparation of the annual estimates of the Scheme.

**Clause 32** of the Bill proposes to amend section 44 of the Act by deleting the word “Fund” and substituting it with the word “Scheme” and to further clarify on the audit of accounts of the Scheme by the Auditor-General or an auditor appointed by the Board.

**Clause 33** of the Bill seeks repeal section 45 of the Act on actuarial valuation of the Fund.

**Clause 34** of the Bill proposes to repeal section 49 of the Act and replace it with a new section that provides that a person convicted of an offence shall cease to be a member of the Board upon conviction.

**Clause 35** of the Bill seeks to repeal section 50 of the Act and replace it with a new section that provides for the right to retirement benefits of members before commencement of the Act.

**Clause 36** of the Bill proposes to amend section 55 of the Act to provide for making of Regulations on the establishment of a post-retirement medical fund within the Scheme.

**Clause 37** of the Bill contains amendment to section 56 of the Act by introducing a new section 56A to allow the Cabinet Secretary with the concurrence of the Retirement Benefits Authority to exempt the Board from complying with any provisions of the Act.

**Clause 38** of the Bill proposes to amend section 56 of the Act by introducing a new section 56B which provides that the provisions of the Unclaimed Financial Assets Act shall not apply to the Scheme.

**Clause 39** of the Bill seeks to amend section 56 of the Act by introducing a new section 56C to provide for the transition of the Board members.



**Clause 40** of the Bill provides for a consequential amendment to section 2 of the State Corporations Act to exempt the Scheme from the definition of a state corporation under the State Corporations Act (Cap. 446).

**Clause 41** of the Bill provides for a consequential amendment to the First Schedule of the National Social Security Fund Act to exempt the Scheme from tier I and tier II under the National Social Security Fund Act.

**Statement on the delegation of legislative powers and limitation of fundamental rights and freedoms**

This Bill does not limit any fundamental rights and freedoms.

**Statement of how the Bill concerns county governments**

The Bill does not concern county governments in terms of Article 110 (1) (a) of the Constitution as it does not contain provisions that affect the functions and powers of the county governments as set out in the Fourth Schedule to the Constitution.

**Statement as to whether the Bill is a money Bill within the meaning of Article 114 of the Constitution**

The enactment of this Bill will not occasion additional expenditure of public funds.

Dated the 15th July, 2025.

KIMANI ICHUNG'WAH,  
*Leader of Majority Party.*



*Section 2 of Cap. 189A, which it is proposed to amend—*

## **2. Interpretation**

In this Act, unless the context otherwise requires —

“accrued interest” means the income or capital appreciation or depreciation, less any applicable tax, that is credited to a member’s retirement savings account;

“actuary” has the meaning assigned to it in section 2 of the Retirement Benefits Act (Cap. 197);

“Administrator” means a body corporate or a person appointed by the Board as such under section 35;

“benefit” means pensions, gratuities and pensions paid to the dependants of a deceased member and any other payments made to members or their dependants under this Act;

“Board” means the Board of Trustees of the Scheme established under section 10;

“Bond” *deleted by Act No. 14 of 2015, s. 52;*

“Chief Executive Officer” means the Chief Executive Officer of the Board appointed under section 20;

“child” means any child of a deceased member who is under eighteen years of age or if the child is receiving full-time education, not more than twenty-five years of age and was at the time of the death of the deceased wholly or mainly dependent on the deceased:

Provided that this category of dependants shall —

- (a) be closed at the death of the member; and
- (b) includes an unborn child who, if already born, would have been a child of the deceased;

“contribution” means the amount payable by a member and by the Government into the Scheme;

“Custodian” means a custodian registered under the Retirement Benefits Act (Cap. 197) appointed by the

Board under section 37;

“dependant”, in relation to a deceased member, means any relative of the deceased who survives the deceased and who, on the date of the deceased’s death, was —

- (a) a spouse to the deceased;



(b) a child of the deceased; or

(c) a parent of the deceased who was wholly or substantially dependent on the deceased for the provision of the ordinary necessities of life suitable for a person of his station;

“disciplined services” means the National Police Service, the Prisons Service and the National Youth

Service;

“financial year” means the period of twelve months ending on the 30th June, in each year;

“Fund” means the Public Service Superannuation Fund established under section 9;

“Government” means the National Government;

“gratuity” means a commuted pension payable under section 28(1);

“life insurance company” means any company registered by the Insurance Regulatory Authority under the Insurance Act (Cap. 487) to carry out the business of providing life insurance;

“Manager” means a manager registered under the Retirement Benefits Act (Cap. 197) appointed by the Board under section 36;

“member” means a person who is a member of the Scheme under section 5;

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to finance;

“National Police Service Commission” means the National Police Service Commission established under Article 246 of the Constitution;

“notional interest” means the interest accrued on any amount recognized as payable by the employer but which will only become due and payable on the retirement of a member;

“pensionable emoluments” means the annual basic salary as determined by the Government and does not include allowances or any special remuneration, honorarium or other fluctuating emoluments received by the member;

“pensioner” means a member who has retired from the service of the employer;

“public service” means employment in the service of the Government—



- (a) by the Public Service Commission;
- (b) by the Teachers Service Commission as a teacher; or
- (c) by the National Police Service Commission; or
- (d) by any other service that the Cabinet Secretary determines to be public service for the purposes of this Act;

and includes service in any of the offices referred to in Articles 154, 155 and 234(3)(b) of the Constitution;

“Public Service Commission” means the Public Service Commission established under Article 233 of the

Constitution;

“Retirement Benefits Authority” means the Authority by that name established under section 3 of the Retirement Benefits Act (Cap. 197);

“retirement savings account” means an account set up and maintained by the Administrator under section 24;

“Scheme” means the Contributory Public Service Superannuation Scheme established by section 3;

“spouse” means a female or male person to whom a member is married or was married immediately before his death under any law, whether monogamous or not;

“Teachers Service Commission” means the Teachers Service Commission established under Article 237 of the Constitution;

“transfer of service” means the conferment, whether permanently or otherwise, of an office in the public service, other than that to which the person concerned was last substantively appointed, whether or not on promotion:

Provided that the posting of a public officer between duty posts in the same grade in the Government or on secondment to a county government shall not be regarded for this purpose as a transfer of service; “Trustee” means a member of the Board of Trustees established under section 10.

*Section 5 of Cap. 189A, which it is proposed to amend—*

## **5. Membership of the Scheme**

(1) A person who—

- (a) at the commencement of this Act, is employed in the public service on permanent and pensionable establishment and—
  - (i) has not attained the age of forty-five years;



- (ii) if the person has attained the age of forty-five years opts, within three months of such commencement or such longer period as the Cabinet Secretary may, by notice in the *Gazette*, prescribe, that this Act shall apply to him; or
- (b) joins the public service on or after the commencement of this Act on a permanent and pensionable establishment, shall be a member of the Scheme.

(2) For the avoidance of doubt, the law to be applied with respect to the retirement benefits of a person in the public service at the commencement of this Act who does not, where required, opt for the application of this Act under subsection (1)(a), shall be the law in force when that period of service commenced.

(3) A member, other than a member who has retired and has opted to be paid his benefits under section 28(2)(a), who for any reason leaves the public service shall cease to be a member of the Scheme.

*Section 6 of Cap. 189A, which it is proposed to amend—*

## **6. Mandatory contribution to the Scheme**

(1) Every member of the Scheme shall contribute to the Scheme at the rate of seven and a half percent which shall be deducted from his monthly pensionable emoluments:

Provided that where the Government fails to deduct a member's contribution, the sum may be recovered in the subsequent months and any penalties payable thereon shall be paid by the Government.

(2) The Government shall make a contribution for each member of the Scheme at the rate of at least fifteen percent of the member's monthly pensionable emoluments:

Provided that where the Government fails to make a contribution in any month, a penalty at the rate of the return of the Fund for the previous financial year shall apply on the unpaid amount.

(3) The Government's contribution under subsection (2) shall be a direct charge on the Consolidated Fund.

(4) In addition to the contributions specified in subsections (1) and (2), the Government shall take out and maintain a life insurance policy that has disability benefits in favour of every member of the Scheme, for a minimum of five times of the member's annual pensionable emoluments.

(5A) The contribution specified in subsections (1) and (2) shall commence from such date as the Cabinet Secretary may, by notice in the *Gazette*, appoint.



*Section 7 of Cap. 189A, which it is proposed to amend—*

**7. Additional voluntary contributions**

(1) Subject to such guidelines as the Board may, from time to time issue, a member of the Scheme may make additional voluntary contributions to the Scheme.

(2) Subject to any guidelines issued under subsection (1), a member shall instruct the Government to deduct the additional voluntary contribution from his monthly pensionable emoluments.

*Section 8 of Cap. 189A, which it is proposed to amend—*

**8. Obligations of the Government**

The Government shall —

- (a) deduct a member's monthly contribution from the member's monthly salary;
- (b) set aside the Government's monthly contribution for each member; and
- (c) not later than ten working days after the end of the month in which the contributions are due, remit an amount comprising the member's and the Government contribution to the Custodian.

*Section 9 of Cap. 189A, which it is proposed to amend—*

**9. Establishment of Public Service Superannuation Fund**

(1) There is established a Fund to be known as the Public Service Superannuation Fund, which shall vest in and be operated and managed by the Board.

(2) There shall be paid —

- (a) into the Fund all contributions and any other payments required by this Act to be paid into the Fund; and
- (b) out of the Fund, all the benefits and any other payments required under the provisions of this Act to be paid out of the Fund.

*Section 10 of Cap. 189A, which it is proposed to amend—*

**10. Establishment of a Board of Trustees**

(1) There is established a board of trustees of the Fund to be known as Public Service Superannuation Fund Board of Trustees, which shall consist of —



- (a) a Chairperson who shall be appointed by the Cabinet Secretary and who—
  - (i) has at least twenty years or an aggregate of twenty years experience in a senior management position in the Public Service; and
  - (ii) is not in the service of any employers' or worker's representatives or any person affiliated to any of the organisations represented on the Board;
- (b) the Principal Secretary in the Ministry for the time being responsible for matters relating to finance or a representative;
- (c) the Principal Secretary in the Ministry for the time being responsible for matters relating to the public service or a representative;
- (d) the Secretary to the Teachers Service Commission or a representative;
- (e) the Secretary to the Public Service Commission or a representative;
- (f) the Inspector-General of the National Police Service or a representative;
- (g) three other Trustees appointed by the Cabinet Secretary, of whom—
  - (i) one shall be nominated by the Kenya National Union of Teachers;
  - (ii) one shall be nominated by the Kenya Union of Post Primary Education Teachers;
  - (iii) one shall be nominated by the Union of Kenya Civil Servants; and
- (h) the Chief Executive Officer appointed under section 20, who shall be an *ex officio* member and who shall not be entitled to vote on any matter before the Board.

(2) The Board shall be a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—

- (a) suing and being sued; and
- (b) taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property;
- (c) doing or performing all other things or acts for the furtherance of the provisions of this Act which may be lawfully done or performed by a body corporate.



(3) The Board may co-opt not more than two persons to assist it for such purposes and such periods as the Board may determine, but persons so co-opted may not vote on any matter before the Board.

(4) The Board shall elect from among its number one person to be the vice-Chairperson and act as the Chairperson whenever the office of the Chairperson is vacant or the holder thereof is absent from a meeting or is for any reason incapable of exercising his functions.

(5) A Trustee appointed under this section shall, in relation to the Fund, have the duties and obligations of a trustee, and be accountable in accordance with the provisions of the Trustee Act (Cap. 167).

*Section 13 of Cap. 189A, which it is proposed to amend—*

### **13. Tenure of office**

(1) The Chairperson and the Trustees appointed under section 10 (1) (g) shall hold office for a term of three years and may be eligible for re-appointment to a final term of three years.

(2) Notwithstanding the provisions of subsection (1), a Trustee of the Fund shall be removed from office by a resolution of the Board if the Trustee—

- (a) has been absent from three consecutive meetings of the Board without justifiable cause or the permission of the Chairperson;
- (b) becomes bankrupt or makes a compromise with his creditors;
- (c) is convicted of a felony or of any offence involving dishonesty or corruption; or
- (d) becomes incapable of carrying out the functions of his office, either arising from an infirmity of mind or body.

(3) A Trustee, other than an *ex officio* member, shall cease to be a member of the Board if the Trustee resigns from office by a notice, under his hand, addressed to the Cabinet Secretary.

*Section 18 of Cap. 189A, which it is proposed to amend—*

### **18. Remuneration of Trustees**

The Chairperson and the Trustees shall be paid such sitting allowances or other remuneration for expenses as the Cabinet Secretary may, from time to time, approve.

*Section 20 of Cap. 189A, which it is proposed to amend—*

### **20. The Chief Executive Officer of the Board**

(1) There shall be a Chief Executive Officer who shall be appointed by the Board following a competitive process of recruitment and on such



terms and conditions of service as shall be determined by the Board in the instrument of appointment or otherwise in writing from time to time.

(2) No person shall be appointed as the Chief Executive Officer unless he has at least ten years experience in a managerial capacity in the retirement benefits, accounting, finance, investment, insurance or the banking sectors.

(3) The Chief Executive Officer shall be the Chief Executive of the Board and be responsible to the Board for the management of the Fund.

(4) The Chief Executive Officer shall, subject to the directions of the Board, be responsible for the day to day management of the affairs of the Fund.

(5) The Chief Executive Officer shall be the Secretary to the Board of Trustees.

*Section 22 of Cap. 189A, which it is proposed to amend—*

## **22. Delegation of powers**

The Board may, by resolution generally or in any particular case, delegate to the Chief Executive Officer, an officer, employee or agent of the Board, the exercise of any of the powers or the performance of any of its functions under this Act or under any other written law.

*Section 25 of Cap. 189A, which it is proposed to amend—*

## **25. Vesting of benefits**

(1) All the benefits derived from contributions by a member shall immediately vest in the member.

(2) Notwithstanding the provisions of any other written law, all benefits derived from the contributions made by the Government to a member's retirement savings account shall vest in the member after a period of five years at the rate of fifty percent of the accumulated amount and increase by ten percent for each full year thereafter up to a maximum of one hundred per cent after ten years of service from the date of commencement of this Act or from the date of joining the Scheme.

Provided that—

- (a) where a member dies while in the service of the employer the contributions by the Government to the member's retirement savings account shall immediately vest in the dependants of the member; or



- (b) where a member retires upon attaining the age of fifty years, the contributions by the Government to the member's retirement savings account shall immediately vest in the member.

(3) A member shall not withdraw the benefits vested on him under subsection (2) until the time he retires in terms of section 27 of this Act.

*Section 26 of Cap. 189A, which it is proposed to amend—*

#### **26. Withdrawal from the retirement savings account**

No member shall be entitled to withdraw the balance in his retirement savings account before he retires under section 27:

Provided that a member may withdraw—

- (a) his contribution and accrued interest in full, on leaving employment for any other reason; and
- (b) the aggregate of any additional voluntary contributions made into the Scheme under section 7(1) together with accrued interest thereon in full, on leaving employment for any other reason.

*Section 27 of Cap. 189A, which it is proposed to amend—*

#### **27. Retirement from the service**

(1) Notwithstanding the provisions of section 26, any member who retires—

- (a) on attaining the age of sixty years, or where his exact date of birth is not known, on the 1st July in the year in which his sixtieth birthday is deemed by the Board to occur, which shall be the normal retirement age;
- (b) on attaining the age of fifty years;
- (c) before attaining the age of fifty years in accordance with the terms and conditions of his employment;
- (d) from the disciplined services, on completion of service of a period exceeding twelve years but not exceeding twenty years after the officer, gives at least one month's notice in writing of his intention to retire;
- (e) on the abolition of his office;
- (f) on compulsory retirement under subsection (4);
- (g) on the advice of a Medical Board appointed by the Director of Medical Services certifying that the member is no longer



mentally or physically capable of carrying out the functions of his office; or

- (h) on termination of his service in the public interest, shall be entitled to make withdrawals in accordance with section 28.

(2) The Medical Board may at the request of the employer review the fitness of a member who retires under subsection (1)(g) and where the Medical Board certifies that the member is then mentally and physically capable of carrying out the functions of his office, the member may re-enter the Scheme upon securing another employment with the employer.

(3) The proof of age of a retiring member for the purposes of subsection (1) shall be the birth certificate, submitted by such member at the time of joining the service.

(4) The Government may require an officer to retire from the public service—

- (a) in the case of an officer referred to in subsection (1)(d), on the completion of twelve, sixteen or twenty years' public service as such an officer, provided he is, within a period of three months next before or after the completion of the period of twelve, sixteen or twenty years' public service as the case may be notified in writing of the intention to require him to retire; or
- (b) in any other case, at any time after the officer attains the age of fifty years.

*Section 28 of Cap. 189A, which it is proposed to amend—*

## **28. Payment of retirement benefits**

(1) Where a member retires as provided in this Act the member may, on written request to the Administrator, withdraw a lump sum from the balance in his retirement savings account that shall not exceed the equivalent of one third of the balance:

Provided that a member may withdraw any additional voluntary contributions made into the Scheme and accrued interest in full.

(2) The retirement benefits may be paid to a member who retires under section 27 in—

- (a) monthly or quarterly withdrawals calculated by an actuary on the basis of an expected life span and payable out of the Fund; or
- (b) a monthly or quarterly annuity for life purchased from a life insurance company of a member's choice;



Provided that the annuity shall include a provision for benefits payable to dependants upon a member's death.

(3) Notwithstanding the provisions of any other written law, a pension, gratuity or other allowance granted under this Act shall not be—

- (a) assignable or transferable except for the purpose of satisfying —
  - (i) a debt due to the Government; or
  - (ii) an order of any court for the payment of periodical sums of money towards the maintenance of the wife, or former wife, or minor child, of the officer to whom the pension, gratuity or other allowance has been granted;
  - (iii) a cause for assignment approved by the Retirement Benefits Authority; or
- (b) liable to be attached, sequestered or levied upon for or in respect of any debt or claim whatsoever except a debt due to the Government.

(4) The payment of the retirement pension shall commence from the end of the month immediately following the month of the member's retirement.

*Section 30 of Cap. 189A, which it is proposed to amend—*

### **30. Death of a member**

Where a member dies whilst in employment, the Administrator shall apply the entitlements of such member under the life insurance policy maintained under section 6 (4), in accordance with section 28 in favour of the dependants of the deceased or, in the absence of such dependants, to the executor or the administrator of the estate of the deceased.

*Section 32 of Cap. 189A, which it is proposed to amend—*

### **32. Death in retirement**

(1) Where a member who was married at the date of his retirement, and was receiving a retirement benefit under section 28 (2) (b), dies while in retirement, a pension that is equivalent to the unutilized balance of his retirement savings account shall, be paid to his dependants.

(2) The payment under subsection (1) shall be made to the dependants commencing from the day following the member's death.

*Section 33 of Cap. 189A, which it is proposed to amend—*

### **33. Transfer of service**

Where a member transfers his service within the public service, or from the Government to a county government and vice versa, the same retirement savings account shall be maintained for the member.



*Section 35 of Cap. 189A, which it is proposed to amend—*

### **35. Appointment and functions of the Administrator**

(1) The Board shall appoint an Administrator of the Fund who shall, in accordance with the Retirement Benefits Act (Cap. 197), carry out the following functions—

- (a) open a retirement savings account for each member with a personal pension number;
- (b) credit the member's retirement savings account with the contributions each month;
- (c) inform the employer where a member's contribution details differ from the expected;
- (d) provide customer service support to members, including access to member's account balances and statements on demand;
- (e) cause to be paid retirement benefits to member who has retired in accordance with the provisions of this Act;
- (f) be responsible for all calculations relating to retirement benefits; and
- (g) carry out any other functions as may be directed by the Board from time to time.

(2) The Administrator shall ensure that all income earned from the investment of the Fund is distributed to the credit of the members' retirement savings accounts save for clearly defined and reasonable fees, charges, costs and expenses of transactions approved by the Board or any income set aside by the Board and deposited into the reserve account maintained under section 41.

*Section 36 of Cap. 189A, which it is proposed to amend—*

### **36. Appointment and functions of the Manager**

The Board shall appoint a Manager of the Fund who shall, in accordance with the Retirement Benefits Act (Cap. 197)—

- (a) develop an investment strategy for the Fund for the approval of the Board;
- (b) invest and manage the Scheme funds and assets in accordance with the provisions of this Act and the Retirement Benefits Act (Cap. 197);
- (c) maintain books of account on all transactions relating to the Fund; and



- (d) provide regular information on investment strategy, market returns and other performance indicators to the Board for the benefit of members of the Scheme.

*Section 37 of Cap. 189A, which it is proposed to amend—*

### **37. Appointment and functions of the Custodian**

The Board shall appoint a Custodian of the Fund who shall, in accordance with the Retirement Benefits Act (Cap. 197)—

- (a) receive the total contributions remitted by the employer under section 6 on behalf of the Board;
- (b) within twenty four hours of receipt of the contributions from the employer notify the Administrator of such receipt;
- (c) hold pension funds and assets in safe custody on trust for the member and beneficiaries of the retirement savings account;
- (d) on behalf of the Board, settle transactions and undertake activities relating to the administration of the Fund including the collection of dividends and related activities;
- (e) report to the Board on any matter relating to the assets being held by the Custodian on its behalf at such intervals as may from time to time be determined by the Board;
- (f) undertake statistical analysis on the investments and returns on investments with respect to pension funds in its custody and provide data and information to the Administrator and the Board; and
- (g) execute in favour of the Board the relevant proxy for the purpose of voting in relation to the investments:

Provided that the Custodian shall maintain all pension funds and assets in its custody to the exclusive order of the Board and shall not utilise any pension fund or assets in its custody to meet its own financial obligation to any person whatsoever.

*Section 38 of Cap. 189A, which it is proposed to amend—*

### **38. Duty of care**

The Administrator, Manager and Custodian shall —

- (a) ensure that the Scheme and the Fund are at all times managed or held in accordance with the provisions of this Act, Regulations or guidelines made under the Act and any directions issued by the Retirement Benefits Authority;



- (b) take reasonable care to ensure that the management of the Scheme or safe keeping of the Fund assets is carried out in the best interests of the members;
- (c) report to the Board, as soon as reasonably practicable, any unusual occurrence with respect to the Scheme and Fund which in their view could adversely affect the rights of the owner of a retirement savings account under the Scheme; and
- (d) report to the Board, as soon as is reasonably practicable, if the employer is in default of remittance of any contributions and such remittance remains due for more than ten days.

*Section 39 of Cap. 189A, which it is proposed to amend—*

### **39. Administrative expenses of the Fund**

The Board shall establish an account into which shall be paid—

- (a) the initial take off grant out of moneys provided by Government for the expenditure incurred by the Board in the exercise of its powers or the performance of its function under this Act;
- (b) the annual administrative fee deducted from the investment income of the Fund at the rate approved from time to time by the Cabinet Secretary but subject to a maximum of ten per cent of such investment income;
- (c) such moneys or assets as may accrue to or vest in the Board in the course of the exercise of the powers of the Board;
- (d) income from the investment of the monies held in the account; and
- (e) all monies from any other source provided for or donated or lent to the Board.

*Section 40 of Cap. 189A, which it is proposed to amend—*

### **40. Investment of surplus funds**

(1) The Board may invest any surplus funds held in the account established under section 39 in securities approved by the Cabinet Secretary for the time being in charge of matters relating to finance.

(2) The Board may place on deposit with such bank or banks as it may determine any moneys held in the account established under section 39 that are not immediately required for the purposes of the administration of the Fund.



*Section 41 of Cap. 189A, which it is proposed to amend—*

**41. Reserve Account**

(1) There shall be maintained a reserve account of the Fund into which shall be deposited—

- (a) any special contribution paid into the Fund by the Government for the purpose of improving the benefits of the members; and
- (b) any income of the Fund that the Board determines should be set aside to stabilise the returns to members subject to a maximum of ten per cent of such income:

Provided that no money shall be drawn out of the reserve account except as directed by the Board.

(2) Any sums of money determined to be income of the reserve account shall be treated as income forming part of the general income of the Fund.

*Section 43 of Cap. 189A, which it is proposed to amend—*

**43. Annual estimates**

(1) Before the commencement of each financial year, the Board shall cause to be prepared estimates of revenue and expenditure of the Fund for that year.

(2) The annual estimates shall be prepared at least three months before commencement of the financial year to which they relate and shall be submitted to the Board for approval, and after such approval, the Fund shall not increase the annual estimates without the consent of the Cabinet Secretary.

(3) The annual estimates shall make provision for all the estimated expenditure of the Fund for the financial year and in particular, the estimates shall provide for—

- (a) the payment of the salaries, allowances and other charges in respect of the staff of the Fund;
- (b) the payment of pensions, gratuities and other charges in respect of the retirement benefits due to the staff of the Fund;
- (c) the proper maintenance of the buildings and grounds of the Fund;
- (d) the maintenance, repair and replacement of the equipment and other property of the Fund;
- (e) the creation of such reserve funds to meet future or contingent liabilities in respect of retirement benefits, insurance or



replacement of buildings or equipment, or in respect of such other matter as the Board may deem appropriate; and (f) any other administrative costs of the Scheme.

(4) No expenditure shall be incurred for the purposes of the Board except in accordance with the annual estimates approved under this section or in pursuance of a prior authorization by the Cabinet Secretary.

*Section 44 of Cap. 189A, which it is proposed to amend—*

#### **44. Accounts and audit**

(1) The Board shall cause to be kept all proper books and records of account of the income, expenditure and assets of the Fund.

(2) The Board shall cause accounts of the Fund to be prepared and be submitted for auditing and reporting annually by the Auditor-General in accordance with the Public Audit Act (Cap. 412B).

*Section 45 of Cap. 189A, which it is proposed to amend—*

#### **45. Actuarial valuation of the Fund**

(1) The Fund shall be valued at intervals not exceeding five years by an actuary appointed by the Board.

(2) The actuary appointed under subsection (1) shall—

- (a) prepare a report on the state of the Fund; and
- (b) recommend any necessary action to be taken.

(3) The actuary shall submit the report prepared under subsection (2) to the Board.

(4) The Board shall within six months of the receipt of such report pay due regard to any recommendations made by the actuary and in so doing, may—

- (a) increase or decrease the rates of contribution payable in respect of members; or
- (b) take any other action recommended by the actuary.

*Section 49 of Cap. 189A, which it is proposed to amend—*

#### **49. Removal from office**

Notwithstanding the provisions of any other law, the Cabinet Secretary may in addition to the penalties stipulated under this Act, cause to be removed from office any trustee or employee of the Fund who is convicted of an offence under this Act.



*Section 50 of Cap. 189A, which it is proposed to amend—*

**50. Government of Kenya Public Service Superannuation Bond**

(1) The right to retirement benefits of any member who at the commencement of this Act is—

- (a) already covered under any other pension scheme existing before the commencement of this Act and whose benefits are payable out of the Consolidated Fund; and
- (b) a member of the Scheme shall be recognized in the form of an amount acknowledged through the issuance of a letter recognizing accrued benefits at the date of joining the scheme under this Act.

(2) *Deleted by Act No. 14 of 2015, s. 54(b).*

(3) *Deleted by Act No. 14 of 2015, s. 54(b).*

(4) *Deleted by Act No. 14 of 2015, s. 54(b).*

(5) No member who is entitled to benefits under this Act shall have any other recourse to a benefit payable out of the Consolidated Fund at the commencement of this Act or any later date of joining the Scheme established under this Act.

*Section 55 of Cap. 189A, which it is proposed to amend—*

**55. Regulations**

The Cabinet Secretary may, on the recommendation of the Board, make regulations generally for the better carrying out of the provisions of this Act.

*Section 56 of Cap. 189A, which it is proposed to amend—*

**56. Provisions of the Retirement Benefits Act**

The provisions of the Retirement Benefits Act (Cap. 197) and regulations thereunder shall apply to the Fund.

*Section 2 of Cap. 446, which it is proposed to amend—*

“state corporation” means—

- (b) a body corporate established before or after the commencement of this Act by or under an Act of Parliament or other written law but not—
  - (i) the Principal Secretary to the National Treasury incorporated under the Cabinet Secretary to the Treasury (Incorporation) Act (Cap. 101);



- (ii) spent;
- (iii) a co-operative society established under the Co-operative Societies Act (Cap. 490);
- (iv) a building society established in accordance with the Building Societies Act (Cap. 489);
- (v) a company incorporated under the Companies Act (Cap. 486) which is not wholly owned or controlled by the Government or by a state corporation;
- (vi) the Central Bank of Kenya established under the Central Bank of Kenya Act (Cap. 491);
- (vii) deleted by Act No. 2 of 2002, Sch.;
- (viii) the Financial Reporting Centre established under the Proceeds of Crime and Anti-Money Laundering Act (Cap. 59A).

*First Schedule of Cap. 258, which it is proposed to amend—*

#### **EXEMPT PERSONS**

3. A person who is a beneficiary of a pension scheme funded out of the Consolidated Fund shall be exempt from Tier II contributions under this Act.