



KenGen DC Scheme



**KenGen internal
Post retirement 
Medical fund (PRMF)**

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1. Introduction

Access to quality health care is a major challenge in retirement since as members advance in age, they become more susceptible to ailments resulting in the need for frequent medical attention which is compounded by high medical insurance premiums associated with age.


To counter the challenge, the DC Scheme Trustees are in the process of establishing the Post Retirement Medical Fund (PRMF) for the members, since upon leaving the services of the employer the medical cover ceases immediately.

The purpose of this brochure is to answer some of the questions the members may have and deepen their understanding of the fund as the trustees work towards actualizing the fund operations.

2. What is a PRMF Fund?

The PRMF fund allows members in active employment to contribute and accumulate savings that will be used for their health care expenses upon leaving the services of the employer.


3. How will the PRMF work?

The PRMF will be set as sub fund of the DC Scheme, but it will have rules guiding its administration and operations which will be aligned with the Retirement Benefits Authority 

4. Who will be eligible to contribute to the PRMF?

All members of KenGen, the sponsor, may contribute to the Post-Retirement Medical Fund.

5. How much will members contribute to the PRMF?

Contributions into the PRMF will be on voluntary basis. As a member, you will decide on the rate of contribution in line with the projected medical cover you would wish to have in retirement 

An illustration would be as below: 

Medical cover options	Inpatient Amount (Kes)	Outpatient Amount (Kes)
Bronze	0.5 M	60,000
Silver	1 M	100,000
Gold	3 M	150,000
Platinum	5 M	200,000

The PRMF contributions will be invested in accordance with its Investment Policy Statement (IPS) which aligns with the Retirement Benefits Authority investment guidelines. To achieve high returns for faster growth of members benefits, the main assets in which the contributions will be invested in will be as below:-

- Government bonds and Treasury bills
- Corporate Bonds issued by companies and listed on the Nairobi Stock Exchange.
- Bank Deposits.

7. How will I know or track my contributions?

Every year, the Trustees will be issuing members with PRMF Members Statement which will display the contributions made, investment return and member account closing balance at the end of the financial year. Further, members will be able to track the status of their account through the members self-service portal.

8. How will the PRMF benefits be accessed?

A member may choose to access their benefits in the PRMF fund in either of the following ways:

- Retaining the funds within the PRMF for the purpose of purchasing medical cover whereby the fund will pay the medical cover premium annually until the account is depleted.
- Transferring the accrued benefits to a medical cover provider of a member choice



The health care facilities to be accessed by the members will be dependent on the amount contributed and benefits options opted for. The key access options would include:

- **Budget Access** - which excludes the high-cost hospitals and would result in lower contribution requirements.
- **Open Access**- allows a member to access all hospital networks including the high costs hospitals such as Nairobi, Aga Khan, MP Shah, Mater, Karen and the Mombasa hospital. This choice would significantly increase the required contribution rates.

10. Do members need to continue with SHIF contributions?

Yes. Members will need to continue with the contributions since this is a statutory requirement.


11. When are the PRMF benefits due to the members?

The benefits are due to the members in the event of retirement, death in service, resignation or withdrawal from employment, ill health retirement, ill-health in service and death in retirement as below:-


a) At retirement

The members will be able to access benefits by purchasing medical cover.

b) Before retirement

If a member leaves pension service before age 50 years, they may  to retain the funds in the PRMF, access it as a medical benefit, or transfer to another post-retirement medical fund of their choice.

c) While still employed

If the member is still in employment and their  exhausted their medical cover with the sponsor, they may be allowed to access PRMF benefits upon approval by the Trustees.

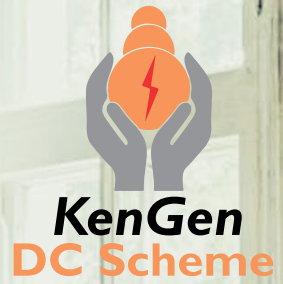
d) Upon death of a member or pensioner

If a contributing member or pensioner passes on, the nominated beneficiaries will be entitled to be paid a return of the contributions made plus interest earned. The beneficiaries may also choose to utilize the PRMF benefits as a medical benefit.

12. Are there tax incentives to the members making PRMF contributions?

Yes. The tax-deductible contribution limit has been set at Kes 15,000 per month for the contributions to post-retirement medical funds.





Further Enquiries?

For further enquiries on the PRMF fund kindly contact our dedicated team through the below channels.

✉ pensions@kengensrbs.co.ke

☎ Toll free line - 0800 724 705.

☎ Office extension – Doreen 5355, Albert 6298, Purity 6917



Disclaimer: This brochure is not a legal document and does not cover every aspect of the fund. Full details of the fund are set out in the Fund's Trust Deed and Rules which may be inspected on request and which supersedes this brochure.