

**KenGen**  
Staff Retirement  
Benefits Scheme

ISSUE #023 • APRIL 2026



**KenGen**  
DC Scheme

# THE *Retirement* JOURNEY



*Keeping You Updated*



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# Editor's Choice: Top Picks from This Issue

In this edition of The Retirement Journey, we highlight four key articles that mark an important moment for KenGen Staff Retirement Benefits Scheme (SRBS).

From a significant leadership appointment to strategic progress, forward-thinking healthcare planning, and digital innovation through Artificial Intelligence, these features reflect our continued commitment to strong governance, operational excellence, sustainable growth, and holistic retirement security for all members.

## 1. Be your Own Boss with Income Draw Down Fund

- By Investment & Strategy Team

As we transition from Horizon I to Horizon II of our 2019–2028 Strategic Plan, alongside the 2025–2029 IDDF Strategy, KenGen SRBS celebrates significant progress across the DB, DC, and Income Drawdown Fund (IDDF). During Horizon I, the Defined Benefits (DB) Scheme grew by approximately Kshs 2.0 billion (26% growth) despite being closed to new members.

The Defined Contribution (DC) Scheme also experienced steady growth driven by increased contributions, diversified investments, and innovation such as Investment-Linked (IDD) products. The IDDF has set an ambitious target to grow from Kshs 768.81 million in 2024 to Kshs 3.011 billion by 2029, while delivering returns above inflation.

Beyond financial performance, Horizon I strengthened governance, enhanced risk management, improved member services, and implemented an Enterprise Resource Planning (ERP) system to boost operational efficiency. As we move into Horizon II, the focus shifts to accelerating growth, improving liquidity, expanding alternative investments, strengthening member education, and deepening digital transformation to enhance service delivery.

## 2. Planning for Health Beyond Retirement: The Post-Retirement Medical Fund (PRMF)

- By Pension Administration Team

Healthcare costs remain one of the biggest financial risks in retirement. To address this, KenGen SRBS is establishing a Post-Retirement Medical Fund (PRMF) to help members prepare early for medical expenses after retirement. The PRMF will operate as a voluntary sub-fund of the DC Scheme, allowing members to accumulate medical savings during their working years. Contributions will be invested prudently in government bonds, corporate bonds, and bank deposits in line with Retirement Benefits Authority (RBA) guidelines to ensure stability and steady growth. Members will benefit from flexible contribution options, tax-deductible savings of up to KES 15,000 per month, and annual statements to track their savings and returns. At retirement, accumulated funds can be used to purchase medical cover based on individual preferences and contribution levels. The PRMF reflects SRBS's holistic approach to retirement, recognizing that a secure future includes both financial independence and access to quality healthcare.

## 3. Leveraging Artificial Intelligence to Enhance Governance and Member Value

- By ICT Team

As KenGen Staff Retirement Benefits Scheme (SRBS) continues to mature, innovation is becoming essential to strengthening governance and improving service delivery. This feature explores how Artificial Intelligence (AI) can help the Scheme move toward smarter, data-driven decision-making. For Trustees, AI-powered dashboards can provide real-time insights on benefit processing, investment risks, and contribution compliance, enabling proactive oversight. For Management, automation can streamline reconciliations, benefit calculations, and performance monitoring, reducing errors and improving efficiency. For Members, AI can support personalized retirement projections and faster responses to common queries, enhancing understanding and engagement. By leveraging AI, KenGen SRBS aims to build a more efficient, transparent, and member-focused retirement benefits scheme.



# Leadership Statement:

## Appointment of Ms. Hannah Nguhi as CEO & Trust Secretary

Following my appointment earlier this year, my focus remains firmly on ensuring that the Scheme continues to deliver on its core mandate, safeguarding and growing members' benefits through prudent financial management, strong governance, and efficient service delivery.

As we implement the next phase of our strategic plan, our approach will remain deliberate and disciplined, focused on performance, operational excellence, and long-term sustainability, to ensure that every member has confidence in the Scheme's ability to provide a financially secure retirement.

### Strategic Focus Areas (2025–2029)

- Strengthening investment performance
- Enhancing member experience and service delivery
- Advancing digital transformation and operational efficiency
- Upholding governance and regulatory compliance

# Your Financial Future is Secure

by **Maraka Silvio Ag.**  
Senior Investment Officer.

*Our primary goal is to ensure sustainable retirement benefits to our members and their beneficiaries. Our guiding principle is investing for long-term net cash flows and capital gain potential.*

## KENYA ECONOMIC OVERVIEW

- Economic Challenges:** Kenya's economic recovery is expected to strengthen gradually in 2026, but several headwinds could slow momentum. Many households continue to face tight budgets, which limit spending and keeps overall demand subdued, while parts of the private sector remain cautious on spending and hiring. On the fiscal side, efforts to streamline government spending can dampen short-term activity and higher-than-budgeted domestic borrowing to fund deficits could, over time, put upward pressure on interest rates. Externally, high debt service obligations and geopolitics remain key risks affecting the shilling stability. Inflation is expected to remain within CBK's target, but could rise if weather disruptions affect food supply, energy costs increase or geopolitical tensions escalate.
- GDP Growth:** Kenya's economy picked up momentum in the third quarter of 2025, expanding 4.9 up from 4.2% pace recorded a year earlier. Construction and mining led the rebound, while agriculture and services maintained steady gains. Business sentiment brightened too with the Stanbic Kenya PMI averaging 53.7 in the final quarter of 2025, up from 49.4 in the previous quarter, as lower borrowing costs encouraged firms to spend and hire.
- Inflation Trends:** Averaged 4.5% in Q4 2025, up from 4.4% in Q3 2025 due to a rise in food inflation and transport index.
- Currency:** The Kenyan shilling remained stable in 4Q25, inching up 0.18 % against the dollar over the quarter and 0.22 % year-on-year to close at KES 129.01, supported by robust remittances, rising tourism receipts and timely Central Bank support.
- Outlook for 2026:** Economic growth is expected to recover gradually in 2026, supported by favorable weather conditions, low interest rates and improving private-sector activity, but constrained by weak disposable incomes, tighter government spending and subdued demand.
- The shilling should remain stable in the near term on stronger FX reserves, remittances, tourism inflows and improved sentiment from liability management, with key risks from external debt service and global trade uncertainty.
- Inflation** is projected to stay within the CBK's 2.5%–7.5% target supported by a stable shilling, steady food prices and relatively stable oil prices, though weather shocks, geopolitics and higher energy costs remain key risks. Interest rates are likely to stay stable in the near term supported by high liquidity and monetary easing; however higher government domestic borrowing remains a downside risk.

## CAPITAL MARKETS PERFORMANCE (Q4 2025)

### Equities Market

- Strong performance across all indices:
  - NSE 20: + 5.6%**
  - Nairobi All Share Index (NASI): + 5.6%**
  - NSE 25: + 10.2%**
  - NSE 10: + 10.2%**
  - Banking Stock Index: 17.3%**
- Best-performing stocks 3 month (September -December 2025):** Uchumi Supermarket Plc (+171%), Nairobi Securities Exchange (+38%), E.A Portland Cement (+25%) & East African Breweries Plc (+25%), NCBA Group Plc (22%).

- **Outlook:** Outlook is positive, supported by attractive valuations, high dividend yields, and easing domestic financial conditions, which continue to favour equities over fixed income. However, returns are likely to be moderate and selective, with upside dependent on corporate earnings, liquidity conditions and geopolitical risks.

#### Fixed Income Market

- Treasury bill (T-bill) yields declined in the fourth quarter (Q4) of 2025. This downward trend was primarily driven by a series of interest rate cuts by the Central Bank of Kenya (CBK), aimed at stimulating economic growth amid stable inflation.
  - **91-day T-bill: 7.73%** (down from 7.92%)
  - **182-day T-bill: 7.80%** (down from 7.99%)
  - **364-day T-bill: 9.21%** (down from 9.53%)
- **Outlook:** Interest rates are expected to remain under downward pressure as the Central Bank continues to ease monetary policy, with the yield curve gradually normalising after the elevated interest rate environment of 2023 and 2024.

#### Offshore Markets

- **Strong performers:** S&P 500 (+2.3%), Nasdaq composite (+2.6%), FTSE 100(+6.2%), MSCI World (+2.9%), MSCI Emerging Markets (+4.3%), MSCI Frontier Markets (+6.6%)
- **Outlook:** Global equities are poised to carry momentum into early 2026, underpinned by robust earnings growth, continued AI-driven capital investment and moderating inflation. That said, stretched valuations and persistent geopolitical risks present downside risks.

#### Private Equity

- Fundraising in Africa's private capital markets is expected to remain measured but constructive, as continued Limited Partners selectivity may defer certain fund closures into 2026.
- Exit momentum is expected to continue, as managers focus on enhancing liquidity and reinforcing investor confidence.

#### How do the Schemes earn a return from these investments?

1. Equities: Earn returns from capital appreciation (stock price increase) and dividends.
2. Fixed Income: Earn interest income from bonds, treasury bills and bank deposits.
3. Offshore Investments (Equities): Returns from global stock market performance.
4. Private Equity: Returns come from business growth, acquisitions, and eventual sale.
5. IDD Fund: Earns returns from government securities and deposits, which are relatively stable

#### SCHEME'S FEATURES

1. Defined Benefit (DB) Scheme: This is a closed fund from 31st December 2011. It provides a benefit upon retirement computed based on an actuarially determined formula considering years in the scheme and average basic salary.
2. Defined Contribution (DC) Scheme: Contributions grow based on market returns, with payouts depending on accumulated savings.
3. IDD Fund: Invests in low risk fixed income instruments for capital preservation.

#### SCHEME INVESTMENTS –SUMMARY FOR 3-MONTHS ENDED 31ST DECEMBER 2025

##### Defined Benefit (DB) Scheme

- Asset growth: -0.19% to KES 9.977B
- 3 Months Gross Returns: based on MTM\* is 2.64%
- Drivers: Withdrawals that outweighed investment growth.

##### Defined Contribution (DC) Scheme

- Asset growth: +4.17% to KES 17.70B
- 3 Months Gross Returns: based on MTM\* is 2.98%
- Positive drivers: Bond market revaluation and equities rally in both local and offshore markets.

##### IDD Fund

- Asset growth: +4.07% to KES 1.183B
- 3 Months Gross Returns: based on MTM is 1.46%
- Positive drivers: Bond market revaluation

*Mark-to-market (MTM) or fair value accounting is accounting for the "fair value" of an asset or liability based on the current market price.*

## INVESTMENT STRATEGY & ASSETS

The Boards of Trustees of the two Schemes have modelled the strategies that are focused to a long-term investment approach that ensures a sustainable kitty to all Scheme Members despite the short-term effects arising from financial market’s volatility on the investment fund.

The following charts provide the distribution of the investments based on portfolio allocation and market value of investments.

### DB SCHEME

#### 5-Year Trend on Assets Under Management

The Scheme’s Investment Portfolio recorded a 19.96% growth over 5 years to close at Ksh.9.977 billion as of 31st December 2025.

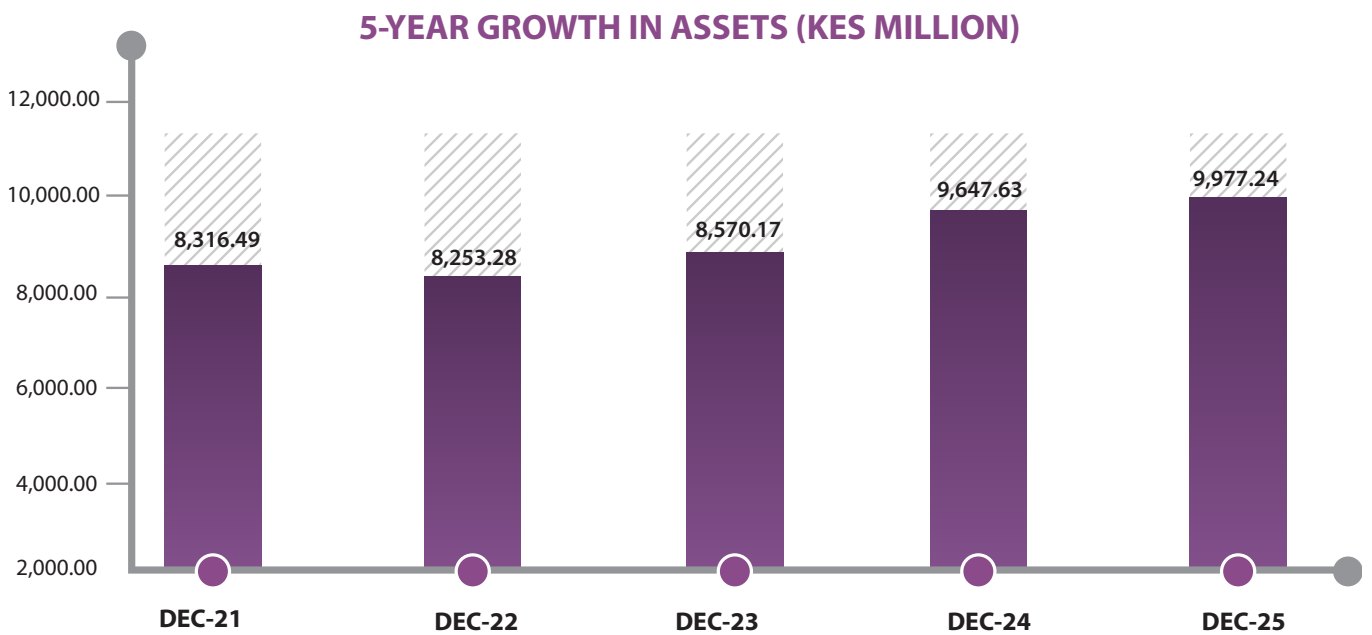


Figure 1: DB Scheme Invested Assets

#### Asset Allocation

The Scheme’s investments are guided by the Investment policy statement (IPS) and the Retirement Benefits Authority (RBA) Investment Guidelines (Table G). Below are the asset classes the DB Scheme has invested in:

The charts below provide the allocation to different asset classes based on market value of investments.

All Scheme assets are compliant with the RBA limit. We continuously rebalance the portfolio and aim to sell the illiquid assets and re-invest the funds in higher yielding investments as per the 10-year strategy.

### DB SCHEME 5-YEAR ASSETS ALLOCATION TREND

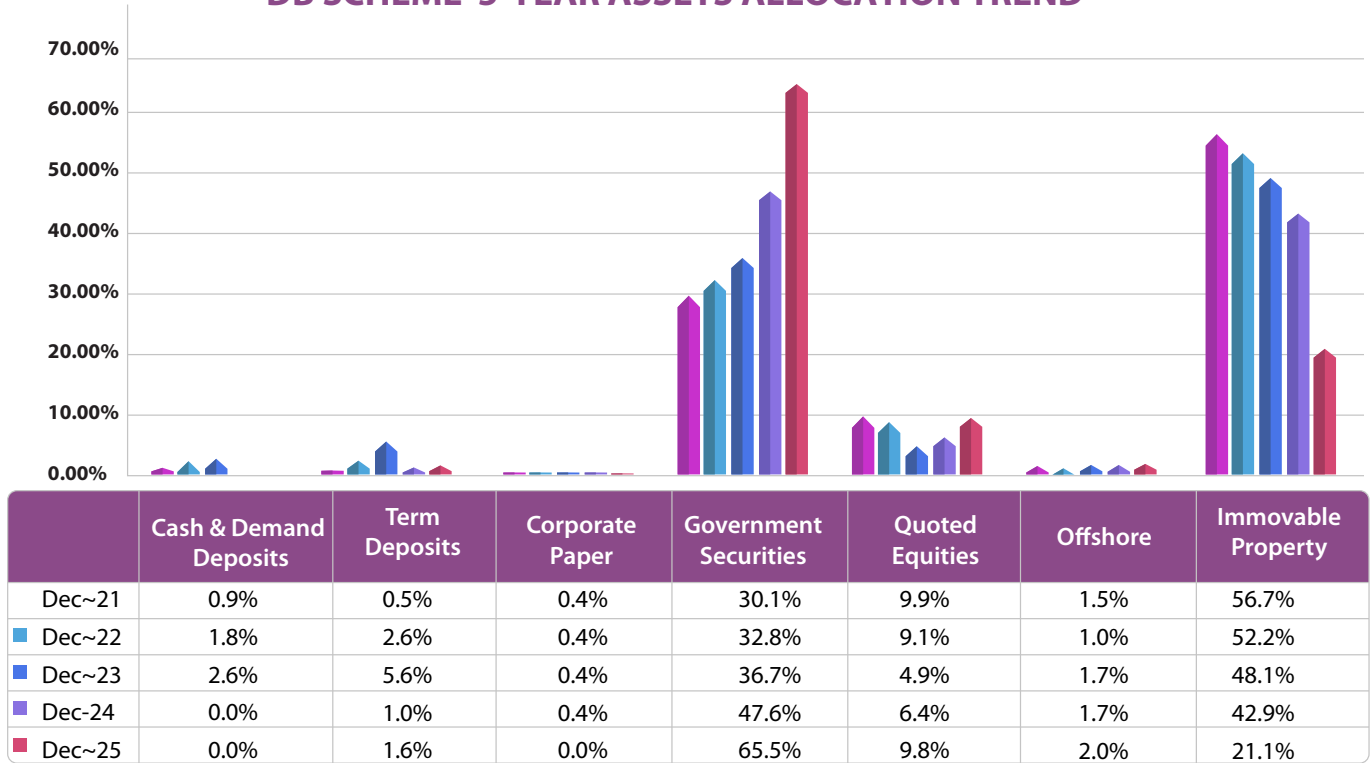
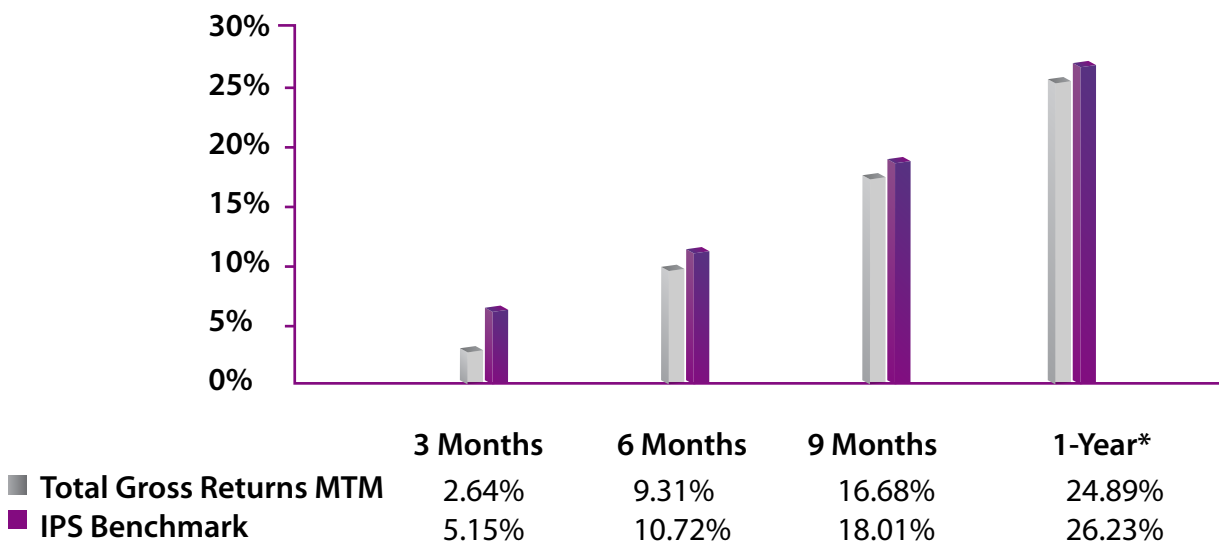


Figure 2: DB Scheme Asset Allocation

### Overall Scheme Performance (MTM) as of 31st December 2025

The Chart below provides the Scheme’s 12 months return for the period ending 31st December 2025. The Scheme’s return for the period 30th September 2025 to 31st December 2025 is 2.64% (MTM) against the IPS benchmark of 5.15%. The positive performance during the quarter was mainly attributed to revaluation gains in bonds markets and a rally in stock prices especially the banking stocks and other large capitalization stocks.

### GROSS SCHEME PERFORMANCE AS AT Q4 2025



The above are gross returns: which is the weighted average return of all the Scheme investments in the various asset classes.

DC SCHEME

5-Year Trend on Assets Under Management

The Investment Portfolio recorded an 82.28% growth over 5 years to close at Ksh.17.71 billion as of 31st December 2025.

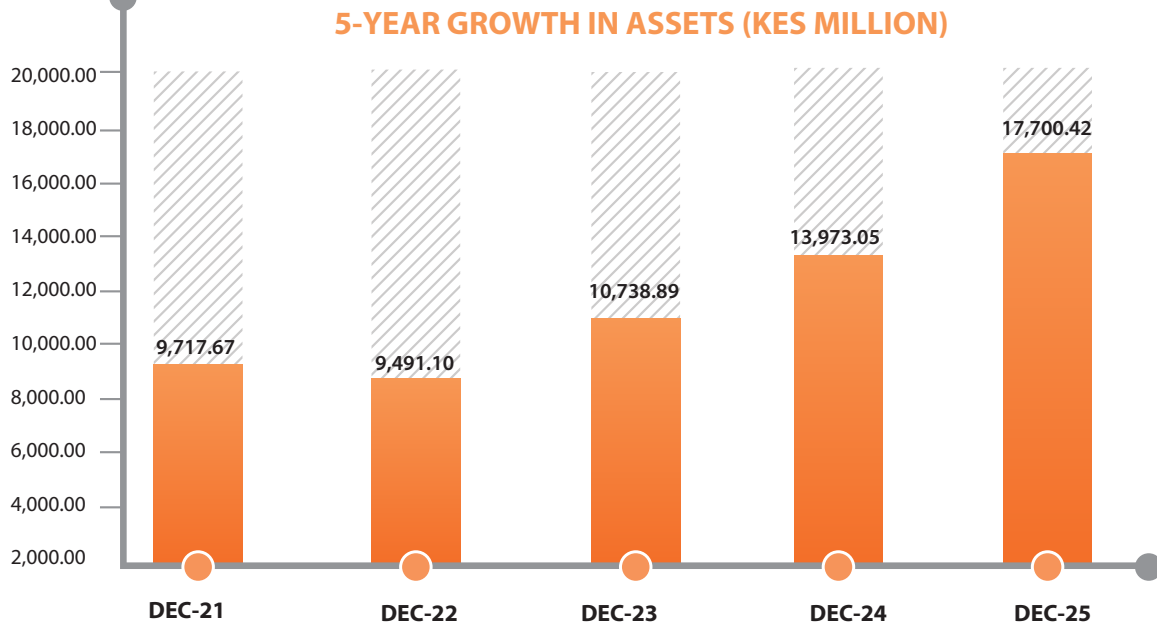


Figure 4: DC Scheme Invested Assets

Asset Allocation

The charts below provide the allocation to different asset classes based on market value of investments. All Scheme assets are compliant with the IPS limit. We continuously restructure the portfolio and aim to diversify to investments with high returns that's within the permissible risks as per the 10-year strategy.

DC SCHEME 5-YR ASSETS ALLOCATION TREND

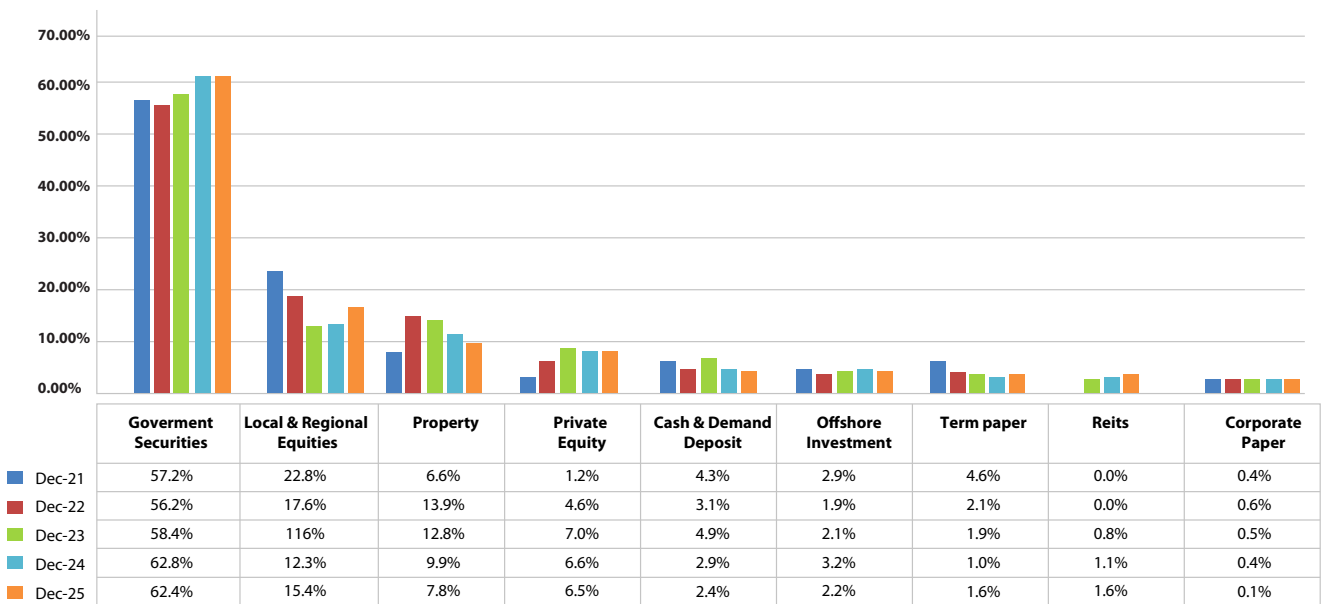


Figure 5: DC Scheme Asset Allocation

## Overall Scheme Performance as of 31st December 2025.

The Chart below provides the Scheme’s 12-months return for the period ending 31st December 2025. The Scheme’s return for the period 30th September 2025 to 31st December 2025 is 2.98% (MTM) against the IPS benchmark of 5.91%. The positive performance was attributed to positive bond revaluation, and rally in prices of large capitalization stocks in the local equities market.

### 5-YEAR DC SCHEME GROWTH RETURN

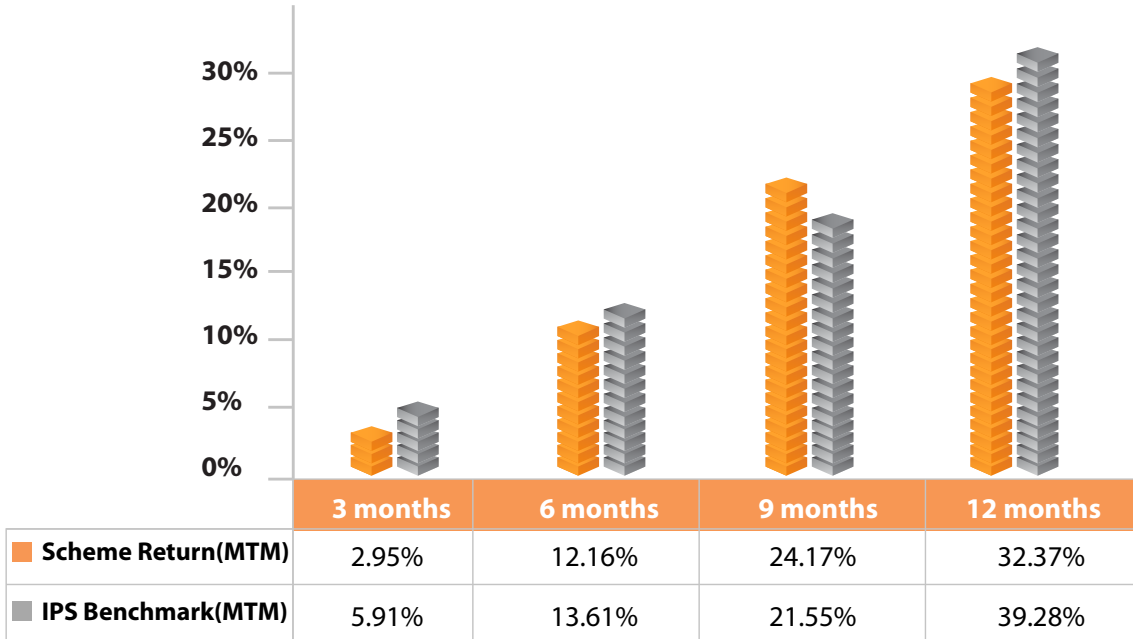


Figure 6: DC Scheme Gross Return

## IDD Fund.

### Trend on Assets Under Management

Since its inception in June 2022, the fund has achieved a cumulative growth of 7,161.19%, with an 54.95% increase over the twelve months to 31st December 2025. The fund’s Assets Under Management stood at Ksh 1.183 billion as at the end of the quarter, up from Ksh 763.99 million in December 2024 and Ksh 16.30 million at inception.

### GROWTH OF AUM (KES M)

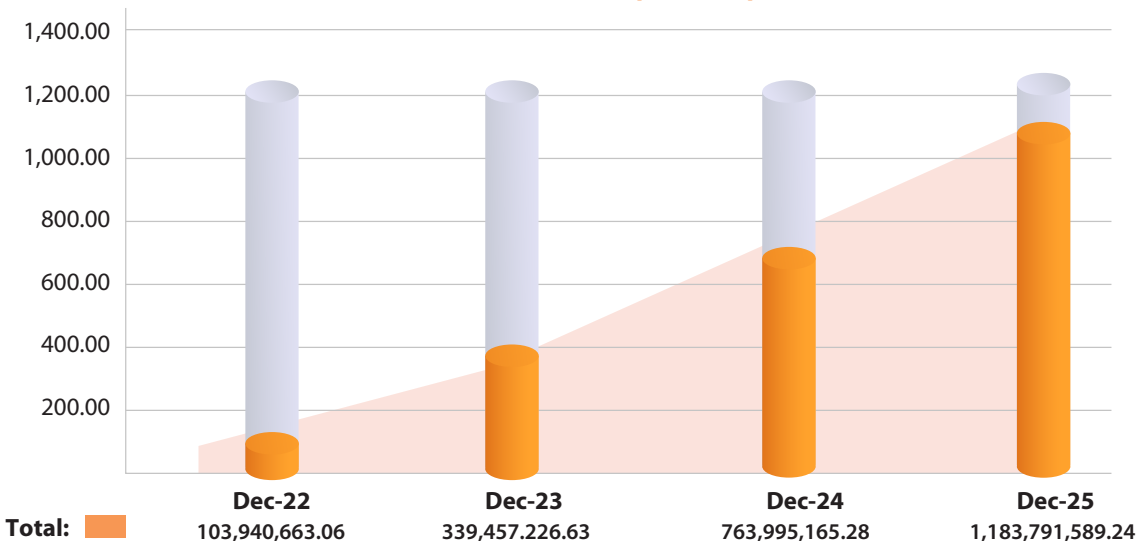


Figure 7: IDD Fund Invested Assets

## Asset Allocation

The charts below provide the allocation to different asset classes based on market value of investments. The fund only invests in fixed income assets. That is, deposits and government securities.

### ASSET ALLOCATION

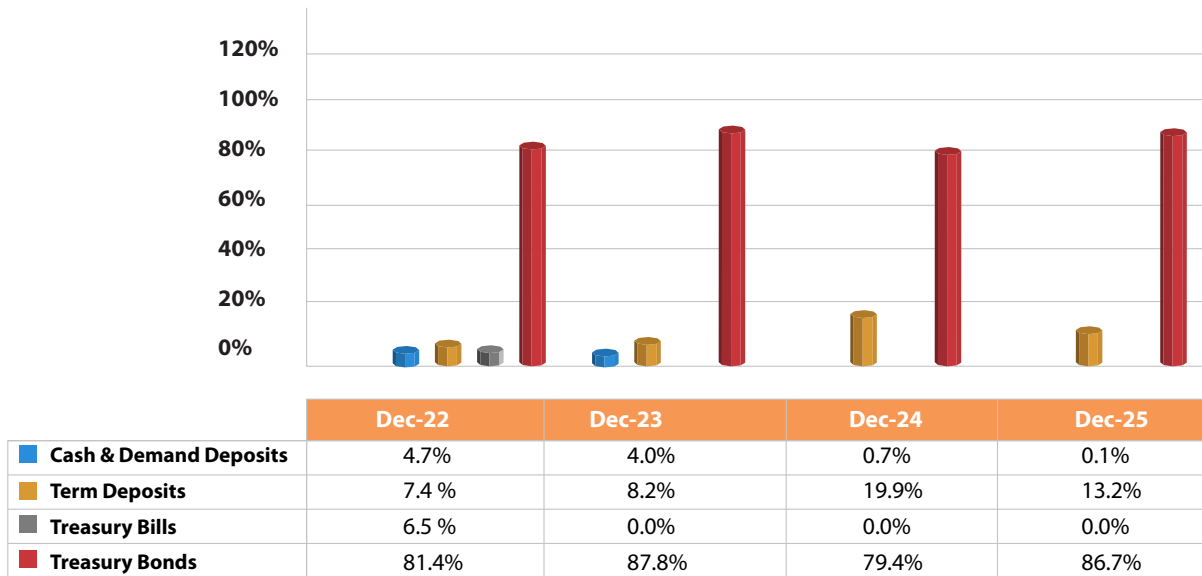


Figure 8: IDD Fund Asset Allocation

## Performance

### Overall Fund Performance as of 31st December 2025

The Chart below provides the Fund's 12- months return for the period ending 31st December 2025. The Fund's return for the period 30th September 2025 to 31st December 2025 is 1.46% MTM underperforming the benchmark at 4.90%.

### SCHEME GROSS RETURN

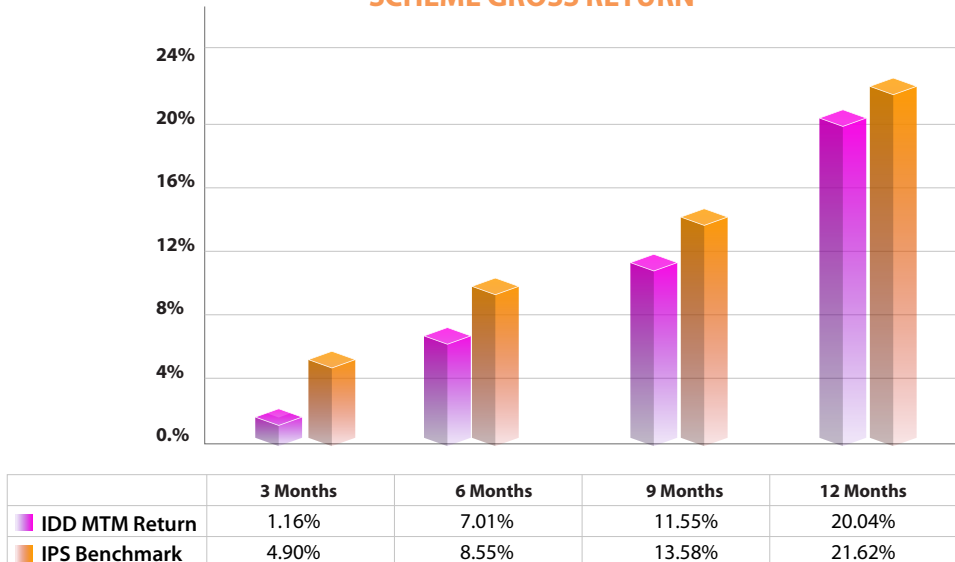


Figure 9: IDD Gross Returns

## Conclusion

In Q4 2025, Kenyan financial markets remained firm, supported by accommodative monetary conditions and contained inflation. The CBK cut the CBR from 9.50% (August) to 9.25% (October) and 9.00% (December), helping sustain liquidity as December inflation held at 4.5%. Policy momentum also improved sentiment after the Privatisation Act, 2025 cleared the way for the sale of selected state firms, supporting the medium-term investment outlook in the Capital markets.

# Our Strategic Plan Journey:

## What We've Achieved in Horizon I and What's Next in Horizon II

by **Investment & Strategy Team**

Over the past few years, we have been implementing our 10-year Strategic Plans (2019–2028) for the Defined Benefits (DB) and Defined Contribution (DC) Schemes, while also launching the new 2025–2029 Strategic Plan for the Income Drawdown Fund (IDDF).

As we move from Horizon I (the first phase of our strategy) into Horizon II (the next phase), it is important to reflect on what we have achieved and where we are headed.

Across all our Schemes, our focus has been on three main areas:

1. Investing wisely to grow members' funds
2. Improving member services while managing costs
3. Strengthening governance, systems, and staff capacity

The IDDF strategy also adds a strong focus on fund growth, member satisfaction, operational efficiency, and building a skilled team.

### What We Achieved in Horizon I

#### 1. Growth of Members' Funds

##### Defined Benefits (DB) Scheme

Even though the DB Scheme is closed to new members and pays out more benefits each year, the Fund has continued to grow. Over the last five years, the DB Fund grew by about Kshs 2.0 billion (26% growth).

This growth was supported by:

- Prudent investment decisions
- Increase in the value of properties and financial assets
- Financial support from the Sponsor to reduce the actuarial deficit

Although the Scheme is not yet fully funded, steady action is being taken to strengthen its long-term position.

### Defined Contribution (DC) Scheme

The DC Scheme has also grown steadily. This growth has come from:

- Increasing member contributions
- Growth in Additional Voluntary Contributions (AVCs)
- Diversified investments, including alternative assets
- Compliance with Retirement Benefits Authority (RBA) guidelines

The Scheme also introduced Investment-Linked (IDD) products, giving members more flexible retirement options. This was an important innovation and has been well received.

### Income Drawdown Fund (IDDF)

The IDDF now has a clear five-year growth target. The goal is to grow the Fund from Kshs 768.81 million (December 2024) to Kshs 3.011 billion by December 2029, while delivering returns above inflation (CPI + 2.5%).

### 2. Better Investment Diversification

During Horizon I, we improved how we invest members' money by:

- Spreading investments across different asset classes
- Introducing offshore and private equity investments
- Monitoring fund managers more closely
- Benchmarking performance against industry standards

For the DB Scheme, property investments are still higher than the regulatory limit. However, a clear property exit strategy is in place, including improving occupancy and planning phased sales of certain properties to improve liquidity and compliance.

These actions will continue in Horizon II.

### 3. Improved Member Services

Members are at the center of everything we do. In Horizon I, we:

- Improved communication through seminars and AGMs
- Strengthened feedback systems
- Monitored service turnaround times
- Improved transparency in reporting

The DC Scheme maintained administrative costs below 1% of Fund value during the review period. The DB Scheme has managed costs carefully despite serving a growing number of pensioners.

The IDDF has set a clear target: increase member satisfaction from 75% in 2024 to 90% by 2029.

### 4. Stronger Systems and Technology

A major milestone in Horizon I was the implementation of an Enterprise Resource Planning (ERP) system.

This has helped us:

- Improve efficiency
- Strengthen reporting
- Improve data management
- Enhance service delivery

We also developed an ICT Strategic Plan (2024-2028) to further improve digital services.

In Horizon II, we will continue investing in technology to improve member access and operational efficiency.

### 5. Stronger Governance and Risk Management

Good governance has been a key success factor.

In Horizon I, we:

- Conducted annual Board evaluations
- Strengthened Board sub-committees
- Provided regular trustee training
- Improved compliance with RBA requirements

Implemented a robust Enterprise Risk Management (ERM) framework

These steps have strengthened accountability and reduced risks.

### 6. Building a Stronger Team

We also focused on improving our internal capacity by:

- Reviewing and improving the organization structure
- Strengthening performance management systems
- Providing staff training
- Developing competency frameworks

While some capacity gaps remain in certain areas, these are being addressed through targeted training and capacity-building programs.

**Over the past five years, we focused on growing members' funds, improving service delivery, and strengthening governance and operational capacity.**



## Looking Ahead with Confidence

Horizon I has shown that our Schemes are stable, well-governed, and capable of delivering growth even in challenging economic conditions.

We have:

- Grown fund value
- Strengthened governance
- Improved member services
- Implemented better systems
- Built a stronger team

Horizon II will focus on:

- Improving liquidity
- Accelerating growth
- Enhancing member experience
- Ensuring long-term sustainability

With continued support from the Board, Management, Sponsor, and Members, we are confident that we will successfully complete our 10-year strategy and position all our Schemes for a strong and sustainable future.

Horizon I built a strong foundation. Horizon II will take us further.

## What Comes Next: Horizon II

As we move into Horizon II, our focus shifts from building the foundation to accelerating growth and strengthening sustainability.

### Key Priorities for Horizon II

#### 1. Improve Liquidity and Property Management (DB Scheme)

- Implement phased property sales
- Improve occupancy levels
- Reduce property concentration

#### 2. Expand Alternative Investments (DC & IDDF)

- Increase exposure to private equity and offshore assets
- Improve fund manager monitoring
- Optimize risk and return balance

#### 3. Manage Costs Carefully

- Keep DB costs within 1% of AUM where possible
- Maintain DC costs within 0.5% of AUM
- Use technology to improve efficiency

#### 4. Strengthen Member Education

- Enhance retirement planning education
- Promote AVCs and IDDF participation
- Improve communication touchpoints

#### 5. Accelerate Digital Transformation

- Improve member portals
- Use data analytics for better decision-making
- Automate processes to reduce turnaround times

#### 6. Maintain Strong Governance

- Continue Board evaluations
- Strengthen strategy monitoring
- Maintain regulatory compliance

*At KenGen SRBS, we value our members and are committed to providing seamless support.*

*That's why we have a toll-free number*

**0800 724 705**

*so you can reach during business hours without any cost. Whether you have inquiries about your pension benefits or need guidance on retirement planning, our dedicated team is here to assist you. Your financial future matters to us, and we're just a call away*

# Planning for Health Beyond Retirement:

## The Upcoming Post-Retirement Medical Fund (PRMF)

by **Pension Administration Team**

**R**etirement should be a season of fulfillment, peace of mind, and personal freedom. However, for many retirees, access to affordable and quality healthcare becomes one of the greatest challenges after leaving active employment. As medical needs increase with age, employer-sponsored medical cover typically ceases immediately upon exit—often leaving retirees exposed to high medical insurance premiums and significant out-of-pocket expenses.

In response to this reality, the Scheme is in the process of establishing an upcoming Post-Retirement Medical Fund (PRMF). This initiative is designed to help members plan early for healthcare costs in retirement and protect their retirement income from being eroded by medical expenses.

### Why the Post-Retirement Medical Fund Is Important

As members advance in age, they become more susceptible to medical conditions that require frequent and sometimes costly treatment. At the same time, retirement income may reduce significantly compared to earnings during active service. Without a structured medical plan, healthcare costs can quickly drain personal savings and undermine financial security in retirement.

The PRMF is being developed to counter this challenge by enabling members to accumulate medical savings during their working years—when they are generally healthier and better positioned to contribute—so that funds are available when medical needs are highest.

### What Is the PRMF?

The Post-Retirement Medical Fund will be a voluntary medical savings arrangement, established as a sub-fund of the Defined Contribution Scheme, with its own rules governing administration and operations in line with Retirement Benefits Authority (RBA) guidelines. The Fund will allow members in active employment to save specifically for healthcare expenses after leaving the service of the employer.

### Who Can Contribute?

All employees of KenGen who are members of the Scheme will be eligible to contribute to the PRMF once it becomes operational. Contributions will be fully vested to individual members. Where a member exits employment before retirement, contributions made to the PRMF will continue to earn investment returns in accordance with Scheme rules until benefits are accessed, transferred, or utilized for medical purposes.

### How Contributions Will Work

Contributions to the PRMF will be voluntary, giving members flexibility to decide how much to save based on their personal circumstances, age, and desired level of medical cover in retirement. Members will be able to adjust their contributions over time as their needs change.

All contributions will be invested in accordance with the PRMF Investment Policy Statement (IPS), which aligns with RBA investment guidelines. To achieve stable returns and long-term growth of members' benefits, investments will be primarily made in:

- Government bonds and Treasury bills
- Corporate bonds issued by companies listed on the Nairobi Securities Exchange
- Bank deposits

This diversified investment approach is intended to safeguard members' savings while supporting steady growth over time.

### Medical Cover Options in Retirement

Upon retirement, members' accumulated PRMF savings will be used to purchase medical cover. The level of cover accessible will depend on the amount saved and the option selected. Members who start contributing earlier and save consistently will be better positioned to access higher levels of cover in retirement.

### Access to Healthcare Facilities

Healthcare facilities accessible to members will depend on the cover option selected. Two broad access categories will be available:

- Budget Access, which excludes high-cost hospitals and requires lower contribution levels
- Open Access, which allows access to a wider hospital network, including high-cost hospitals such as Nairobi Hospital, Aga Khan, MP Shah, Mater, Karen Hospital, and Mombasa Hospital

This structure ensures flexibility, affordability, and choice based on individual preferences and financial capacity.

### How and When Benefits Will Be Accessed

PRMF benefits may be accessed in different circumstances, including retirement, exit from employment, ill-health, or death. Members may choose to:

- Retain funds within the PRMF for the Fund to pay annual medical insurance premiums
- Transfer accumulated savings to a medical cover provider of their choice
- Access benefits as medical support where applicable under Scheme rules

***“Retirement should bring peace of mind — and with the upcoming Post-Retirement Medical Fund (PRMF), we are taking proactive steps to help members safeguard their health and protect their retirement income from rising medical costs.”***

In the event of death, the nominated beneficiaries will be entitled to receive the member's contributions plus accrued interest, or may opt to utilize the benefits as medical cover.

### Tracking Contributions and Member Statements

Transparency and accountability will remain a key priority. Members will receive annual PRMF statements detailing contributions made, investment returns earned, and closing balances. In addition, members will be able to monitor their PRMF accounts through the Scheme's member self-service portal, ensuring continuous visibility of their savings.

### Tax Incentives for Members

To encourage participation, contributions to post-retirement medical funds attract tax relief. Members will be eligible for tax-deductible contributions of up to KES 15,000 per month, making the PRMF a tax-efficient way to plan for healthcare in retirement.

### Looking Ahead

The establishment of the Post-Retirement Medical Fund reflects the Scheme's holistic approach to retirement planning—recognizing that a secure retirement is not defined by income alone, but also by access to quality healthcare, independence, and dignity.

As Trustees work towards operationalizing the PRMF, members will continue to receive updates on timelines, contribution processes, and enrolment guidelines. Members are encouraged to start thinking early about their future healthcare needs and take advantage of this opportunity to invest in long-term well-being.

***Your retirement journey deserves protection and not only of income, but of health. Planning today is the first step toward a healthier, more secure tomorrow.***



# Smart Pensions: How Artificial Intelligence Can Strengthen KenGen SRBS

by **ICT Team**

**A**s KenGen Staff Retirement Benefits Scheme (SRBS) continues to grow and mature, we are constantly looking for better ways to protect members' savings, improve service delivery, and strengthen governance. One of the most exciting opportunities ahead of us is the use of Artificial Intelligence (AI).

While AI may sound technical, its purpose is simple: to use data intelligently so that we make better decisions, reduce errors, and serve members more efficiently.

## Why AI Matters for a Retirement Benefits Scheme

A pension scheme brings together three important groups:

- Trustees, who provide oversight and safeguard members' interests
- Management, who run the day-to-day operations
- Members, whose contributions form the foundation of the Scheme

AI has the potential to strengthen each of these groups — and ultimately improve retirement outcomes.

### Stronger Governance for Trustees

Traditionally, Trustees rely on quarterly reports to monitor performance. This means they often review information after events have already happened.

With AI-powered dashboards, Trustees can access real-time insights such as:

- Benefit processing timelines compared to regulatory standards
- Investment concentration risks
- Employer contribution compliance
- Emerging complaint trends

Instead of reacting to problems after they escalate, Trustees can act early — strengthening oversight and protecting members' funds.

This shift moves governance from being periodic and reactive to being continuous and proactive.

### Smarter Operations for Management

Behind the scenes, pension administration involves large volumes of data — payroll records, bank remittances, member contributions, benefit calculations, and investment reports.

Much of this work can be repetitive and time-consuming.

AI and automation tools can help by:

- Automatically reconciling payroll deductions and bank contributions
- Flagging inconsistencies before they affect member accounts
- Speeding up benefit calculations
- Monitoring fund manager performance against benchmarks

For example, if there is a mismatch between payroll deductions and pension remittances, AI can detect it immediately — reducing disputes and errors.

The result?

- Faster processing of benefits
- Fewer administrative errors
- Lower operational costs
- Reduced manual workload

Management can then focus more on strategy and service improvement rather than firefighting operational issues.

## Better Information and Value for Members

Members are the heart of the Scheme. AI can significantly improve the way members understand and engage with their retirement savings.

### Personalized Retirement Projections

AI can help generate personalized projections that show:

- Estimated pension at retirement age
- The impact of increasing contributions
- Inflation-adjusted income replacement levels

For instance, a member may see that increasing monthly contributions by KES 2,000 could significantly improve retirement income. This makes retirement planning more practical and empowering.

### Faster Responses to Common Questions

AI-powered virtual assistants or chatbots can respond to frequently asked questions such as:

- When can I access my benefits?
- How long does processing take?
- What happens if I leave employment?

This improves convenience, reduces waiting times, and builds trust.

### Improving Risk Management and Fraud Detection

AI can also strengthen risk controls by identifying unusual patterns, such as:

- Suspicious withdrawal attempts
- Duplicate claims
- Sudden spikes in complaints
- Early warning signs of funding or liquidity stress

By detecting risks early, the Scheme can act quickly and protect members' funds.

### The Importance of Data

For AI to work effectively, accurate and integrated data is essential. This means ensuring that information from payroll, custodians, administrators, and investment managers is consistent and reliable.

Good data governance remains the foundation of any successful digital transformation.

## What This Means for KenGen SRBS

As a maturing retirement benefits scheme, KenGen SRBS faces growing expectations:

- Increased benefit payments in the DB Scheme
- Growing DC and IDDF membership
- Higher regulatory standards
- Greater demand for transparency and faster service

### Leveraging AI can help us:

- Strengthen fiduciary oversight
- Improve operational efficiency
- Enhance member experience
- Reduce risk
- Deliver better long-term retirement outcomes

## Looking Ahead

Artificial Intelligence is not about replacing people — it is about supporting better decision-making, improving accuracy, and enhancing service delivery.

For KenGen SRBS, embracing AI represents a forward-looking step toward becoming a more resilient, efficient, and member-centered institution.

By combining strong governance, skilled management, engaged members, and intelligent technology, we can continue to safeguard and grow your retirement benefits — today and for the future.

The future of pension management is smarter, faster, and more data-driven — and we are ready to embrace it.



**KenGen**  
Staff Retirement  
Benefits Scheme



**KenGen**  
DC Scheme



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