

Frequently Asked Questions

1. **WHEN DO I JOIN THE SCHEME?**

The date of employment for new employees. For employees who were in the DB Scheme, the date of joining the Scheme was October 1, 2012.

2. **WHAT ARE THE MEMBER RECORDS KEPT BY THE SCHEME?**

- a) Registration form for membership (Form A)
- b) Nomination of Beneficiaries Form (Form B)
- c) Copies of Marriage Certificate, ID copies (for spouse or beneficiaries over 18 years), Birth Certificates (for children)

3. **HOW OFTEN SHOULD THE RECORDS BE UPDATED?**

Any time there is a change in your status.

4. **IS IT MANDATORY TO PROVIDE NOMINEES FOR DEATH GRATUITY?**

It is important to declare and indicate in the Nomination Form the proportions in which each nominee may share in the death gratuity in case of death while in service for ease of administration.

5. **WHAT DO I GET ON RETIREMENT?**

At retirement (normal retirement age – 60 years and early retirement age – 50 years) the options available are as follows:

- a) A lump sum of up to 1/3 of your scheme credit and either an Income Drawdown or purchase an annuity from an insurance company with the balance. The minimum period for an income drawdown is 10 years.
- b) Retain the full scheme credit and opt either for an Income Drawdown or purchase of an annuity.

6. **WHAT HAPPENS IF I DIE IN SERVICE?**

A lump sum benefit equal to 3 times your basic annual salary payable at the date immediately preceding your death is paid as per the Nomination form. In addition, your Scheme Credit will also be paid as a lump sum to the nominated beneficiaries.

7. **WHAT HAPPENS IF I AM ABSENT FROM WORK?**

Membership to the Scheme will continue during the period of authorized absence. This includes: Leave of Absence, Study Leave and Secondment. The member is expected to pay his/her contribution and the contribution due from the Bank.

8. **WHAT ARE MY BENEFITS IF I LEAVE THE BANK'S SERVICE BEFORE NORMAL RETIREMENT AGE?**

- a) 50% of my total accrued benefits (including interest)
- b) 50% balance of the accrued benefits is deferred until attainment of retirement age or may be transferred to a registered scheme at the member's request.

9. **WHAT IS AN INCOME DRAWDOWN?**

Periodic payments payable to a member after retirement based on the Scheme Credit available. The minimum draw down period is 10 years.

10. WHAT IS AN ANNUITY?

The after-retirement income one receives and is a series of periodic payments payable throughout the retiree's life. The accumulated fund at retirement is used to purchase the annuity/pension from an insurance company.

11. WHAT ARE MY TAX OBLIGATIONS AS A MEMBER?

- a) When in employment a member pays PAYE on any excess amount above the Kshs. 20,000 tax free amount.
- b) Additional Voluntary Contributions do not attract tax on exit. These are contributions over and above 6.5% by the member and 13% by the Bank.
- c) If you have served for 15 years and are over 50 years on the lump sum payment of 1/3, the first Kshs. 600,000 of your registered scheme credit is tax free. The balance is taxed on a graduated scale.
- d) If you have served for less than 15 years and are under 50 years of age, on the lump sum payment of 1/3, the first Kshs. 60,000 of your registered scheme credit, for every full year of service is tax exempt.
- e) Death benefit is taxed at 30%.
- f) Unregistered contributions (above Kshs. 20,000) are not taxed at exit.