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Rt. Hon. Speaker

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STANDING COMMITTEE ON LABOUR AND SOCIAL WELFARE

24/7/2019

TWELFTH PARLIAMENT- THIRD SESSION

**REPORT ON THE COUNTY GOVERNMENTS RETIREMENT SCHEME
BILL, 2018 (NATIONAL ASSEMBLY BILLS NO. 10 OF 2018)**

PAPERS LAID	
DATE	24/07/2019
TABLED BY	Chairperson
COMMITTEE	Labour
WORK AT THE TABLE	Lillian

CLERK'S CHAMBERS
THE SENATE
PARLIAMENT OF KENYA
NAIROBI

JULY, 2019

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PREFACE

1. The Standing Committee on Labour and Social Welfare was constituted in December, 2017 during the First Session of the Twelfth (12th) Parliament pursuant to the provisions of Senate standing order 212.

The Committee is mandated to consider all matters related to: *manpower and human resources planning, pension, gender, culture and social welfare, youth, National Youth Service, children's welfare; national heritage, betting, lotteries and sports, public entertainment, public amenities and recreation.*

2. In executing its mandate, the Committee oversees the Ministries of:

- a) Labour and Social Protection;
- b) Ministry of Public Service, Youth and Gender Affairs; and,
- c) Sports Culture and the Arts.

3. The Committee comprises the following Members:

1. Sen. Sakaja Johnson Arthur	-Chairperson
2. Sen. (Dr.) Milgo Alice Chepkorir	-Vice Chairperson
3. Sen. Madzayo Stewart Mwachiru	-Member
4. Sen. Poghisio Samuel Losuron, EGS	-Member
5. Sen. (Dr.) Mwaura Isaac, CBS	-Member
6. Sen. Cherarkey Samson Kiprotich	-Member
7. Sen. Makori Beatrice Kwamboka	-Member
8. Sen. (Dr.) Gertrude Musuruve Inimah	-Member
9. Sen. Petronilla Were Lokorio	-Member

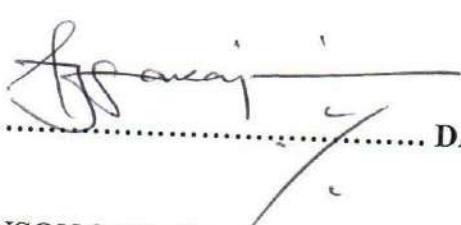
ACKNOWLEDGEMENT

Mr. Speaker Sir,

The Committee wishes to acknowledge the time and considerable effort made by all parties who volunteered information before it. I also wish to express my gratitude to my colleagues for their thoughtful input and engaged contributions to the matter. Further, the Committee is indebted to the Office of the Speaker and the Clerk of the Senate for facilitating all the actions that led to the production of this report. The Committee also wishes to recognize the commitment and dedication of the staff of the committee that made the work of the Committee and the production of this report possible.

Mr. Speaker Sir,

It is my pleasant duty, pursuant to Standing Order 143 (1), to present and lay on the table of the House the report of the Committee on Labour and Social Welfare on the County Governments Retirement Scheme Bill, 2018 (National Assembly Bill No. 10 Of 2018) for consideration by the House.

SIGNED.....  DATE..... 23rd July 2017

**SEN. JOHNSON SAKAJA,
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR AND SOCIAL WELFARE.**

1.0 INTRODUCTION

The County Governments Retirement Scheme Bill, 2018 (National Assembly Bill No. 10 of 2018) originated in the National Assembly and was published in the Kenya Gazette Supplement No. 33 as an ordinary bill. It was passed by the National Assembly with amendments on 17th October, 2018.

The Bill was read a first time in the Senate on Tuesday, 13th November, 2018 and committed to the Standing Committee on Labour and Social Welfare pursuant to Standing Order 140(1).

Pursuant to Article 118 of the Constitution and Standing Order No. 140 (5), of the Senate Standing Order, the Standing Committee of the Senate on Labour and Social Welfare invited the public to make written submission of their views on the Bill through advertisements in the National Newspapers dated 20th November, 2018. The Committee also invited the public to make oral and written submissions through advertisements in the National newspapers dated 6th April, 2019. This was to take into account the views and recommendations of the public while preparing this report.

According to its objects and memoranda, the Bill seeks to establish the County Government's Retirement Scheme as a mandatory scheme for all county government employees; provide for the establishment of the scheme's Board of Trustees and provide for the scheme's management and administration.

Article 43 (3) (e) of the Constitution confers on every person, the right to social security. Presently the county governments have no uniform retirement scheme for their employees. The former local authorities' and national government employees seconded to county governments are still members of their former national retirement schemes. The proposed Bill will transition the former local authorities' and national government employees under a national retirement scheme and retirement arrangements into one universal scheme for all the forty seven county governments

besides being open to other public officers and any other person approved by the Board of Trustees.

The Committee at its meetings held on 14th November, 2018, 28th November 2018, 29th November, 2018, 2nd April, 2019, 9th April, 2019, 11th April, 2019 and 6th May, 2019 and ... July to consider the submissions from the stakeholders and recommended that the County Governments Retirement Scheme Bill, 2018 (National Assembly Bill No. 10 Of 2018) be adopted subject to the amendments contained in Annex I to be moved at the Committee Stage.

The Bill has been processed by the Committee and is now ready for presentation to the House for consideration.

1.1 Overview of the County Governments Retirement Scheme Bill, 2018 (National Assembly Bill No. 10 of 2018)

Part I (clauses 1-3) contains preliminary matters including the short title, interpretation of terms and objects of the Bill.

Part II (clauses 4-20) provides for the establishment of the scheme. It establishes the County Retirement scheme fund and its' Board of Trustees. It provides the procedure for appointment of the Trustees and the necessary qualifications. It also provides the Trustees' functions and powers and sets their tenure to three years renewable once based on performance. Under clause 6 (2) of the Bill the Board of Trustees shall comprise of-

- (a) the chairperson appointed by the Cabinet Secretary from the Trustees appointed under paragraph (d), (e), (f) and (g);*
- (b) the Principal Secretary responsible for matters relating to finance or his representative;*
- (c) the Principal Secretary responsible for matters relating to devolution or his representative;*

- (d) a representative of the Council of County Governors;
- (e) a representatives of the County Public Service Boards;
- (f) three representatives of the County Assembly Service Boards, one of whom shall be of the opposite gender;
- (g) two persons nominated by trade union umbrellas representing county public service boards, one of whom shall be of opposite gender; and
- (h) the chief executive officer who shall be the secretary to the Board.

Clause 6 (3) of the Bill provides that the Speaker of the Senate shall convene a meeting of the representatives of the County Public Service Boards for the purpose of nominating the representatives of the County Assembly Service Boards.

Clause 7 of the Bill provides for the qualifications for appointment as a Trustee to include, among others, a degree from a university recognized in Kenya, and at least five years' experience in finance; law, economics, actuarial science or any other profession or work experience directly relevant to the functions of the Board.

Clause 9 of the Bill provides for the tenure of office of the Board of Trustees to be a term of three years and be eligible for re-appointment for one final term of three years based on performance.

Clause 13 of the Bill provides that the Board of Trustees shall, among other functions-

- (a) formulate policies relating to the scheme in accordance with the provisions of Retirement Benefits Act;
- (b) collect contributions and income payable to the fund under this Act
- (c) pay out the various benefits to persons entitled to the benefits as provided under the Act;
- (d) protect the fund's assets and ensure long term viability of the scheme;
- (e) ensure prudent investment of the monies forming part of the fund;

Clause 14 (3) of the Bill provides that the Board shall have power to, among others—

- (a) *supervise the assets of the scheme in such manner as best promotes the purpose for which the scheme is established;*
- (b) *appoint a custodian, fund manager and administrator to carry out their functions as specified in the Retirement Benefits Act;*
- (c) *determine the provisions to be made for administrative expenses as provided for under section 40 and for reserves of the fund as provided for under section 39; ...*

Clause 18 provides for office of the chief executive officer of the scheme. It provides that the chief executive officer shall be competitively recruited and appointed by the Board. The chief executive officer shall be appointed for a term of five years and shall be eligible for re-appointment for one further final term of five years based on satisfactory performance

Part III (clauses 21-36) contains provisions on the administration of the scheme and provides for the appointment of the fund Manager and the Custodian. It also sets out their functions. The functions of the Administrator are also set out. Further, the part provides for membership of the scheme without a sponsor, the vesting of benefits, and withdrawal from the retirement savings account and retirement from the service among others. Finally, it sets out the prohibited payments from the scheme.

Clause 21 of the Bill provides that the fund manager shall, in addition to the duties prescribed under the Retirement Benefits Act —

- (a) *implement the investment policy of the scheme as approved by the Board;*
- (b) *manage the scheme funds and assets in accordance with the provisions of the Retirement Benefits Act;*
- (c) *maintain books of account on all investment transactions relating to the scheme; ...*

Clause 22 (1) of the Bill provides that the Custodian shall, in addition to the duties prescribed under the Retirement Benefits Authority —

- (a) receive the total Contributions remitted by the sponsors and members under this Act on behalf of the Board;
- (b) not later than the next business day following of receipt of the Contributions from a sponsor, notify the fund Manager and the Administrator of such receipt;
- (c) receive and keep in safe custody the title documents, securities and monies of the scheme in trust for the members and beneficiaries; ...

Clause 23 of the Bill provides that the administrator shall be an employee of the scheme and that the functions of the administrator shall be to —

- (a) open and maintain an account for each member.
- (b) upon receiving details of the contributions remitted under the Act, cause the amount of the contributions to be credited in the account of the member in respect of whom the sponsor has made the payment.
- (c) inform the Board if a member's contribution details differ from the expected;

Clause 24 on contributions provides that a member of the scheme shall contribute not less than seven and a half per cent of his pensionable emoluments to the scheme while the sponsor shall contribute to the scheme fifteen per cent of the pensionable emoluments of every employee who is a member of the scheme and the amounts necessary to cover the premiums for Insured Benefit.

Clause 26 (1) and (2) of the Bill provide that member shall not withdraw membership or retirement benefit from the scheme while the member is in the employment of a sponsor and that member may withdraw benefits from their account before Normal Retirement Age on resignation, dismissal, ill health, or emigration.

Clause 27 (2) of the Bill provide that proof of age upon retirement of a retiring member is the date of birth in birth certificate, national identification card, or a valid passport, and at the discretion of the Board as to acceptance a written declaration of date of birth by the member on first appointment

Clause 29 of the Bill provides that where a member retires, the member may request the Board in writing to pay to him —

- (a) *a lump sum from the balance in his retirement savings account that shall not exceed the equivalent of one third of that balance;*
- (b) *a monthly or quarterly income drawdown in accordance with a formula prescribed by the Board on the advice of an Actuary;*
- (c) *a monthly or quarterly annuity for life purchased from an Approved Issuer of their choice*

Part IV (clauses 37-44) provides for the establishment and management of the County Governments' Retirement Scheme Fund. It contains the financial provisions and establishes the County Retirement scheme fund. It also provides how surplus funds may be invested as well and sets out a requirement for the Board to have a reserve account.

Clause 38 of the Bill provides that the County Governments' Retirement Scheme Fund shall consists of, among others—

- (a) *monies as may vest in or accrue to the scheme in the performance of its functions under the Act or under any other written law;*
- (b) *Contributions from sponsors and members.*
- (c) *grants, gifts, donations or other endowments given to the scheme;*

Part V (clauses 45-53) sets out the general provisions including the duty of care of the Board, protection of the Trustees and employees of the scheme from personal liability, offences, and proceedings for recovery of deductions from employers and a

general penalty clause. It also contains a provision on the making of regulations and gives this power to the Board, in consultation with the Cabinet Secretary.

Clause 52 of the Bill repeals the Local Authorities Provident Fund Act (Cap 272) and revokes the Local Authorities Pensions Trust Rules, 2007 and the Laptrust (Umbrella) Retirement Trust Deed and Rules registered under the Retirement Benefits Act.

Part VI (Clauses 54-57) provides for the saving and transitional provisions. Clause 55 (1) of the Bill on Local Authorities Provident fund and the Local Authorities Pension Trust fund provides that An Eligible Employee of a sponsor who immediately before the Commencement Date of this Act was a member of the, Local Authorities Provident fund or the Local Authorities Pension Trust fund or Laptrust Umbrella Retirement fund shall, upon the commencement of this Act be deemed to be a member of the scheme.

Clause 55 of the Bill on transition of closed funds to the Scheme provides that—

- (a) members of the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Fund shall be transitioned into the Scheme;
- (b) the funds, assets, movable and immovable property, which immediately before the commencement date were held by or on behalf of the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Scheme shall vest in the Scheme;
- (c) all the records of the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Schemes shall be transferred to the Scheme administrator;
- (d) all rights, liabilities and duties which immediately before the commencement date were held by or on behalf of the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Scheme shall vest in, be imposed on, or be enforceable against the Scheme;
- (e) suits, or legal proceedings by or against the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Schemes shall continue as if instituted by the Scheme or against it; and

(f) annual estimates of Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Schemes for the financial year in which the Bill shall become operational shall be transferred to the Scheme.

Under clause 57 an employee who joined the service of a sponsor on permanent and pensionable terms after the first general elections under the Constitution shall be deemed to be a member of the Scheme with effect from the date of employment.

2.0 PUBLIC PARTICIPATION/STAKEHOLDER CONSULTATION

Guided by Article 118 of the Constitution of Kenya (2010) and in compliance with Standing Order No. 140 (5), the Committee invited written submissions from the public and stakeholders to submit their views on the Bill. This was due to the fact that the Bill is very similar to the Senate Bill that went through thorough participation in the Senate. The Committee received submissions from the following stakeholders –

- a) The Kenya National Union of Nurses (Secretary General);
- b) The Council of Governors;
- c) The CPF Financial Services Ltd;
- d) The National Social Security Fund;
- e) The Kenya National Union (Chairperson)
- f) The Kenya County Government Workers Union; and,
- g) LapTrust.

Below is a summary of the submissions received from stakeholders-

1. The **CPF Financial Services Limited** (formally Laptrust) vehemently opposed the Bill on grounds that it—
 - (a) seeks to take away powers of the counties and vest the same on the national government;
 - (b) seeks to create a parastatal over pension funds contrary to section 132 of the County Governments Act;
 - (c) seeks to repeal the Local Authorities Provident Fund Act contrary to the requirement of the Retirement Benefits Act regarding merger and amalgamation of schemes;
 - (d) is in breach of the Retirement Benefits Act on the composition of the Board;

- (e) threatens the rights of members to a dignified life at retirement by reducing contributions of members; and
- (f) threatens to commingle assets of the existing schemes putting the assets of members in jeopardy contrary to section 40 of the Constitution.

They proposed that the Senate reinstates the County Pension Scheme Bill, 2016 which was passed by the Senate on 16th June, 2017 but lapsed in the 11th Parliament.

CPF Financial Services Limited further stated that notwithstanding their objections to the Bill in its entirety, they propose that the Bill be amended—

- (a) in clauses 1, 3, 4 and 37, and insertion of a new clause immediately after clause 54 so as to give effect to section 132 of the County Governments Act, to maintain an already established fund, and to give the levels of government ample time to resolve the over 30 billion debt owed to the two schemes by the governments and carry out actuarial and administrative restructuring of the existing schemes;
- (b) in clauses 14, 18, 19, 23, 38, and 54 so as to ensure that the proposed scheme is administered through an external/corporate administrator appointed by the Board and regulated by the Retirement Benefits Authority. This is to avoid confusion in the implementation of the Act during the transition from the old schemes to one umbrella scheme for all counties after five years;
- (c) in clause 6 so as to remove unconstitutional provisions which take away exclusive and non-concurrent county functions by the national government on matters remuneration and pension for county public service, and also not to create a government parastatal over private property which is an infringement on the unconstitutional and trust laws;
- (d) in clause 24 in order to protect members against loss of benefits and the attendant low income replacement ratio at retirement, and members be exempted from the National Social Security Fund;

- (e) by inserting a new clause so as to provide for other products such as sharia compliant pension and post medical insurance;
- (f) in clause 53 and 54, and insertion of a new clause immediately after clause 56 so as to expand and provide more comprehensive saving and transition provisions;
- (g) in order to provide for a transition committee to spearhead transition of the existing schemes to one umbrella pension scheme;
- (h) by inserting a new clause immediately after clause 57 with a view to provide for settlement of outstanding liabilities and actuarial deficits to the closed schemes by the government through mechanisms such as budgetary allocations;
- (i) in clause 2 to provide for the definitions of terms which have been used in the Bill and are not clear; and
- (j) by including a schedule to comprehensively set out the benefits of the scheme. The schedule will set out matters such as membership, contributions, retirement benefits, death and disability benefits, and termination of service.

2. The **Kenya National Union of Nurses** observed that the County Pension Scheme Bill, 2016, which was passed by the Senate on 16th June, 2017 but lapsed in the 11th Parliament, was a comprehensive proposal and that they had not been involved in the development of the County Government Retirement Scheme Bill, 2018. They further noted that the Bill is not aligned to the existing law as it abolishes the existing pension schemes contrary to section 132 of the County Governments Act and reduces employee contribution from 12% to 7.5% contrary to sections 73(1) & 138(1) (a) of the County Governments Act. They proposed that the Bill be withdrawn and in its place a Bill that is in compliance with the existing laws be introduced. They further proposed they be accorded an opportunity to

appear before the Committee to provide further details as to why the Bill should not be allowed to proceed.

3. The **National Social Security Fund**, through its Managing Trustee supports the Bill. It however observed that the Bill—
 - (a) has not transferred members of the old schemes to the proposed new scheme. It only transfers member contribution with conditionality; and
 - (b) fails to provide for when the closed schemes shall be wound up. This should happen within five years.
4. The **Council of Governors** opposed the Bill in its entirety. It was of the view that the Bill ought to be stayed to allow consultations to facilitate a consensus among stakeholders. The Council therefore requests the Senate to stay the Bill pending further consultations
5. The **Local Authorities Pension Trust** opposed the Bill. It was concerned that the Bill once passed would occasioned losses of over 1 Billion Shillings on it and occasion the loss of over 200 jobs. It therefore proposed as that the Senate—
 - (a) reinstates the County Pension Scheme Bill, 2017 (sic) as the same ensures equity amongst all the schemes (LAPFund, LAPTrust and CPF);
 - (b) amends the Bill to anchor the County Pension Fund (LAPTrust [Umbrella]) Fund in line with section 132 of the County Governments Act and as recommended by the Attorney General; and
 - (c) entrenches CPF Financial Services as the joint administrator for all the schemes and provide for restructuring of its shareholding to ensure ownership by all the schemes i.e. LAPFund, LAPTrust and CPF.
6. The **Kenya County Government Workers Union** had the following concerns on the Bill:
 - (a) The Bill should not revoke the two legal instruments that give birth to both LAPTrust and LAPFund. The Bill should only operationalize section 132 of

- the County Governments Act by anchoring the two existing pension scheme under an Act of Parliament to protect the interests of members of the Union.
- (b) The Bill should not reduce employee contribution (from 12% on basic salary and house allowance to 7.5% on basic salary only) as it is against the interest of employees and would go against existing collective bargaining agreements.
- (c) The Bill should not merge and comingle assets of existing schemes as it cannot be operationalized. This will also create issues especially with respect to the outstanding liabilities owed to LAPTrust and LAPFund.
- (d) Any reforms should not diminish members' representation. The representatives should come from the most representative Unions and should be 50% for the Defined Contribution and 30% for the Defined Benefit Scheme as provided in the Retirement Benefits Act.
- (e) The Bill should explicitly make provision for the payment of debts, totaling over 42 Billion Shillings, by county governments

The Committee at its meeting on 2nd April, 2019 deliberated on the Bill and resolved to invite the public for further consultations on 9th April, 2019. This was done through the National Dailies dated 6th April, 2019.

The following institutions and individuals gave oral and or written submissions on 9th and 11th April, 2019 -

Stakeholders

1. The Council of Governors
2. The Retirement Benefits Authority
3. LAPFUND
4. County Public Service Boards, National Consultative Forum
5. Hon. Joe Donde, the Chairperson of County Public Service Board
6. Salaries and Remuneration Commission
7. Mr. Kinuthia Wamwangi, EBS
8. Ministry of Public Service, Youth and Gender Affairs
9. Ministry of Devolution and ASAL- State Department for Devolution
10. National Social Security Fund

11. CPF Financial Services Limited
12. Kenya National Union of Nurses
13. The Local Authorities Pension Trust
14. Kenya Union of Clinical Officers
15. Rift Valley Railways Workers Union (K)
16. County Assembly of Nairobi
17. Kenya County Government Workers Union
18. Mr. John K. Bii, the National Chairman of the Kenya National Union of Nurses
19. Kenya Concrete, Structural, Ceramics Tiles, Wood Ply and Interior Designs Workers Union
20. Kenya Medical Practitioners Pharmacists and Dentists' Union (KMPDU).
21. Pensioners
22. County Pensioners Association
23. Nahashon Chania, Laptrust Pensioners representative, Central Kenya region, and the Treasurer of the Pensioners Sacco
24. County Assembly Forum
25. Ministry of Labour and Social Protection
26. Ministry of National Treasury and Planning
27. Nairobi County Assembly, Speaker
28. National Taxpayers Association

Their submissions and the Committee Observations and Recommendations are outlined in the matrix below -

2.2 Stakeholder Views on Specific Provisions of the Bill

STAKEHOLDER VIEWS ON THE COUNTY GOVERNMENTS' RETIREMENT SCHEME BILL, 2018
(NATIONAL ASSEMBLY BILLS NO. 10 OF 2018)

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
1	CPF Financial Services Limited (CPF)	The Act be cited as the County Pension Fund.	To give effect to section 132 of the County Governments Act and to maintain an already established fund.	Disallowed. A pension covers the benefits of a member of a scheme after retirement while a retirement scheme is broader and covers the benefits of members of a scheme before and after retirement as well as benefits for contract workers	
2	County Assemblies Forum (CAF)	Include definition of the term Gratuity and further provide a substantive clause for provision of gratuity to state officers serving in the county governments, payable at the end of each electoral term.	This will ensure the provision of gratuity is anchored in law for consistency and prosperity.	Add a sub clause 4 (3) (e) to include Gratuity— The definition of member does not provide for members of county assembly, governor, deputy governor, and county executive committee	Disallowed. It is the mandate of Salaries and Remuneration Commission to set retirement benefits for state officers.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		members.	Insert a clause to provide for Pension for Members of County Assembly (MCAs) who serve more than two terms	This provides a pension for long serving members, similar to what members of Parliament who serve more than two terms receive.	Disallowed. There is need to enact a separate law is similar to Pensions Act for Members of County Assemblies, and County Executives.
	Ministry of Labour and Social Protection		Definition of 'Existing Schemes'	The term should be explicitly defined to avoid the confusion of including closed schemes	Disallowed
			Define the term "trivial pension" as used and applied in section 4 (3) (b) of the Bill		Disallowed. This is provided for in the custom and usage in the pensions industry.
			Limit the definition of the term "Associated Organization"	The scope is too broad and subject to abuse. This will open a window for abuse. A proper definition with a clear scope is needed.	Disallowed. There is need to open up membership to avoid discrimination.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
	RBA	Delete the definition of “Associated organisations” wherever it appears	The intention of the Act is to secure retirement benefits for employees of county governments and not other persons outside that bracket. The definition of “associated organizations” tends to include any other persons providing service to the county governments that may choose to participate.	Disallowed. There is need to open up membership to avoid discrimination.	Disallowed. This is discriminatory against other existing schemes.
	Speaker, Nairobi County Assembly.	The definition of existing schemes should be amended to read as follows— “existing schemes” mean Laptrust (Umbrella) Retirement Fund.			Disallowed. This is discriminatory against other existing schemes.
	Council of Governors	The definition of Cabinet Secretary is deleted. The following definition is inserted in the proper alphabetical sequence— “Chairperson, Council of Governors”	Setting up of pension schemes for County Governments is a function of the County Governments under the Constitution. Cabinet Secretary, National Treasury has no role in a pension scheme for counties	Disallowed	The National Treasury’s role should be limited to prescribing broad pensions

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			Scheme should be defined to mean the County Pension Fund established under this Act	Operationalize section 132 of the County Governments Act by anchoring the existing County Pension Fund (Laptrust Retirement Fund) [Umbrella]	Disallowed
			Amend the definition of the term “administrator” to read- “administrator” means a retirement benefit scheme administrator jointly established by the closed schemes and the county pensions Fund Scheme in accordance with the Retirement Benefits Act	The administrator is intended to merge administration of the three schemes without commingling assets.	Disallowed,
			Inclusion of a definition of “closed scheme” to read- “closed scheme” means the Local Authorities Pension Trust established under Legal No. 50 of 2007	Local Authorities Pension Trust is a Defined Benefits and the global practice is to move away from Defined Benefits Schemes.	Allowed, define and include all schemes (This is provided for in transition clauses, clause 52)

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
3	CPF		<p>Paragraph (a) be deleted and the following new paragraph be substituted thereof—</p> <p>provide for the adoption of an existing pension scheme pursuant to section 132 of the County Governments Act.</p>	<p>The County Pension Fund has already been adopted by counties as their scheme of choice.</p>	Disallowed
	RBA		<p>Insert the following new paragraphs immediately after paragraph (f)—</p> <p>(g) use a joint corporate administrative framework to administer the scheme herein established and the closed scheme; and</p> <p>(h) provide for the closure of Local Authorities Provident Fund and the Local Authorities Pensions Trust to new members;</p> <p>(i) provide for the transition period to a uniform, inclusive county pension scheme</p>	<p>County Pension Fund has over 47,000 members and fund value of over 7 Billion</p> <p>Allow the closure of all existing schemes and align with the transitional clauses.</p> <p>(This is provided for in clause 56 (2) of the Bill</p>	<p>Disallow establishment of a corporate administrator.</p> <p>Allowed</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			“Protect the benefits of employees of county governments”		
	Ministry of Labour and Social Protection	Interchange section 3 (1) (b) and (c)		Disallowed. It is non issue	
4	RBA	Review section 3(d) to read— “establish rules, regulations, and standards for the administration and management of the scheme;”	Amend the introductory part of clause 4 (2) to read— The Scheme is established under statutory trust which shall be vested in, operated and managed by the Board.	Retirement benefits schemes are established under statutory trust or under irrevocable trust declared in the Trust Deed and Rules. Establishing it as a body corporate makes it a state corporation; which makes the operations and management of the scheme subject to the State Corporation Act.	Allowed. It is in the best interest of members to establish the scheme to establish the scheme as a statutory trust or an irrevocable trust. The Board can be established as a body corporate, which will have the perpetual succession, common seal and

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
				act as a corporate as opposed to being individuals.	
		Speaker, Nairobi County Assembly.	Inclusion of a new sub clause 4 (3a) to read— For purposes of this Act, the Scheme shall be the Laptrust (Umbrella) Retirement Fund, established and registered by the Retirement Benefits Authority under Certificate No. 01305.	Disallowed. This is legislating for private entities.	
		CPF Financial Services Limited (CPF)	Delete clause 4 (1) and insert the following new clause 4 (1) therefor— (1) There is established the County Pension Fund which shall be administered by the Board in accordance with this Act, the Retirement Benefits Act and the Regulations thereunder;	This is to specifically meet the requirements of section 132 of the County Government's Act, 2012.	Disallowed. This is legislating for private entities.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>By deleting sub clause (2) and substituting therefor with the following new paragraphs—</p> <p>The Scheme is established as an an irrevocable statutory trust and shall vest in, operated and managed by the Board.</p> <p>The Scheme is an umbrella pension scheme for all county governments and their employees.</p> <p>The Scheme is the successor to the Laptrust (Umbrella) Retirement Fund previously established and registered under Trust Deed and Rules under Retirement Benefits Authority Certificate Registration no. 01305.</p>	<p>An irrevocable trust is a trust that cannot be changed or altered after it is set up</p> <p>Allow and merge with the definition of “associated organizations”</p>	<p>Allowed.</p>
			<p>By deleting the marginal note and substituting therefor with the following new note—</p> <p>Establishment of the County Pension</p>	<p>Disallow for legislating on a private entity.</p>	<p>Disallow</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			Fund		
	Council of Governors		<p>Delete clause 4 (1) and insert the following new clause 4 (1) therefor—</p> <p>(1) There is established the County Pension Fund which shall be administered by the Board.</p> <p>(2) The Scheme is an umbrella pension scheme for all persons in service in the County Governments.</p> <p>(3) The Scheme is a statutory trust and the successor to the Laptrust (Umbrella) Retirement Fund previously established and registered under Trust Deed and Rules under Retirement Benefits Authority Certificate Registration no. 01305.</p>	<p>This is pursuant to section 132 of the County Governments Act which provides that officers and staff of a county government shall subscribe to an existing pension scheme for officers and staff of local government.</p>	<p>Disallowed for legislating for a private entity.</p>
	LAPFUND		<p>Add a new paragraph after clause 4 (3)</p> <p>(c) to read—</p> <p>(ca) gratuity</p>	<p>This is to align the Bill to the current practice where officers on contract, county executives and elected members convert their gratuity to provident fund.</p>	<p>Allowed—to take care of Members County Assemblies.</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			to the Local Authorities Provident Fund previously established under Cap 272, Laws of Kenya.	Report of the Commission on Implementation of the Constitution, advised on enactment of an Act of Parliament to transition LAPFUND to manage retirement benefits for county workers.	entity.
5	RBA		Include the definition of “County Public Officer” to read— “an individual performing a function within a county government”.	Define the term “county public officer” for purposes of clarity.	Improve the definition of “county public service” to include state officers and public officers Delete the word “may” and replace with “shall” The use of the word “may” implies that the Board has the option of admitting a person into the scheme, without necessarily under the auspices of the sponsor. The design of the scheme being established is typical of an umbrella scheme, in which only the employers are admitted to membership and not individuals, as such all members of the scheme

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
				become members through the scheme.	
		Ministry of Labour and Social Protection	Membership of the scheme should be limited to employees of County Governments and Associated Institutions (Associated Institutions must be clearly defined considering that this is an occupational scheme created solely to take care of the county workers).	Disallowed to avoid discrimination	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		County Assemblies Forum (CAF)	Amend to include State officers serving in the Counties i.e. the Members of the County Assemblies, Governors, Deputy Governors and County Executive Committee Members.	This bill proposes to create a scheme that shall take over the functions of the existing schemes for County Assemblies, but fails to provide for all the members covered under the current schemes (LAPFUND and LAPTRUST/CPF)	Disallowed. The Salaries and Remuneration Commission is in charge of the remuneration of state officers.
6		County Assemblies Forum (CAF)	Amend clause 6 (3) to state that the umbrella body for County Assemblies to nominate the three members from the County Assembly Service Boards.	The umbrella body representing the 47 County Assemblies should be allowed to conduct the meeting to nominate three members of the County Assembly Service Board. However, since the amendment Bill to establish the umbrella body for County Assemblies in law is yet to be passed, this clause may be appropriate. It can be amended once CAF is established in statute.	Disallowed. The proposed membership is not proportionate to the workforce under county assemblies' service.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		gender	LAPFUND Delete clause 6 (2) (h) and substitute with the following— (h) The chief executive officer shall be an ex-official member of the Board with no voting rights.	It will align the Bill to the best corporate governance practice prescribed under the Mwongozo Code of Governance for State Corporations	Disallowed The scheme is not a parastatal.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
	RBA		Amend clause 6 (2) (f) by replacing the words “three representatives” with the words “a representative”.	Rephrase clause 6 (2) (g) as follows—“four persons nominated by the most representative trade union Boards representing County Public Servants, two of whom shall be of the opposite gender”.	The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act. RBA Act provides for a maximum of 9 Trustees. Regulation 8 (10 (i) (c) provides—“A defined contribution scheme shall not have less than four and not more than nine trustees and the number of trustees shall not be less than a half of the Board of trustees unless the scheme has appointed a corporate trustee”.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		county governments. They are equated to the Parliamentary Service Commission.	Amend clause 6 (2) (h) to read- “The chief executive officer appointed under section 18, shall be the secretary to the Board with no voting rights at the meetings of the Board”.	The current clause does not expressly state that the chief executive officer has no voting rights therefore giving the chief executive officer the same status as the other trustees. There is need to clarify this position to avoid future conflicts	The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act.
	Kenya National Union of Nurses (KNUN)	According to the RBA Regulations in a Defined Contribution Scheme, members get up to 50% of the Trustees in order to safeguard the interests of the workers through their trade unions.	Amend clause 6 (2) (f) by deleting the word “three” and inserting the word “a”. Amend clause 6 (2) (g) by deleting the word “two” and inserting the word “five”. Insert the words “most representative trade unions” after the words “ominated by”. Delete the word “boards” after the word “servant” then delete word “one” after the coma and insert the word “two”	RBA Regulations require that under the Defined Contribution Scheme, workers to be represented at the rate of 50% in the Board of Trustees.	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		Delete subclasses (2) and (3)	The subclasses contradict clause 6 (7). Trade unions are supposed to be independent as provided under section 14 (1) (h) the Labour Relations Act.	Trade unions represent workers while County Public Service Boards are the sponsors. COG is not a constitutional body established as an employer so as to qualify as a sponsor.	The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act.
		Kenya Medical Practitioners Pharmacists and Dentists' Union (KMPDU)	Amend clause 6 (2) (c) to include the phrase "who must not be a serving member of the County Assembly".	Members of County Assemblies are state officers and hence not eligible to serve as Trustees	The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act.
			Amend the clause to include 5 representatives of workers in the service of county governments nominated by each of the five largest trade unions by	Representation of workers should be broad	The Committee amended the membership of the Board to be all

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		membership recognised by county governments.		inclusive and in line with the Retirements Benefits Act.	
		Delete paragraph (e)	The clause is vague. Employees can only engage employers through trade unions recognised in law.	The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act.	
		Speaker, Nairobi County Assembly.	Delete clause 6(2) (a) and substitute with the following— The Chairperson shall be appointed by the Board from amongst the Trustees in (d), (e), (f) and (g).	The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act.	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
CPF			<p>Delete clause 6 and substitute with the following—</p> <p>6 (1) There is established the Board of Trustees for the scheme which is a corporate body with perpetual succession and a common seal and is in its corporate name capable of—</p> <p>suing and being sued; taking, purchasing or otherwise purchasing, holding, charging and disposing of movable and immovable property; entering into contracts;</p> <p>(2) The Board comprise of the following trustees appointed by the Cabinet Secretary—</p> <p>a representative of the Council of Governors; two representatives of the County Public Service Boards; a representative of the County Assembly Service Boards; five other nominees from the county governments nominated from the three</p>	<p>To reinstate the major position adopted by the Senate in 2017 under the County Pension Scheme Bill.</p> <p>To properly align with the Constitution and the Retirement Benefits Act.</p> <p>Counties are employers and should thus manage their own pension matters for their employees.</p> <p>To ensure that the Board is independent.</p> <p>To ensure that a state corporation is not created out of members' funds.</p>	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>most representative employee unions, two of whom shall be of the opposite gender on one part and one representative from the persons with disability.</p> <p>(3) The chief executive officer who shall be the Secretary to the Board.</p> <p>(4) A chairperson shall be elected by the trustees from amongst the trustees set out under subsection (2).</p> <p>(5) The Cabinet Secretary shall formally appoint the nominees forwarded under subsection (3) by notice in gazette.</p> <p>(6) The nomination and appointment of trustees shall be carried out in the manner prescribed in the First Schedule.</p> <p>(7) The chief executive officer shall be an ex-officio member of the Board with no rights to vote at a meeting of the Board.</p>		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		Council of Governors	<p>Delete clause 6 (2), (4), (5) and (6) and substitute therefor with the following new clauses—</p> <p>(2) The Board shall consist of the following members—</p> <p>two representatives of the Council of Governors;</p> <p>a representative of the County Public Service Boards;</p> <p>the chief executive officer of the administrator who shall be the Secretary to the Board;</p> <p>five representatives of the five most representative recognised trade Unions, two of whom shall be of the opposite gender.</p> <p>(3) Chairperson of the Board shall be elected by trustees from among their number.</p> <p>(5) The Chairperson, Council of Governors shall ensure that not more than two thirds of Members of the Board are of the same Gender.</p>	<p>The Board as presently constituted under the Bill is typical of state corporation.</p> <p>No national government state corporation should be established over pension funds for county governments' employees.</p> <p>Proper governance practice requires that Trustees appoint the chairperson from amongst themselves.</p> <p>There is need to ensure Cooperation and interdependence in the running of the Scheme with the Counties allowed to supervise the running of the scheme without interference.</p>	<p>The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act.</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			Delete clause 6 (4)	Not necessary. Not common practice	The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act.
			Amend clause 6 (6) to read— The appointment of Trustees under subsection (2) shall be vide a resolution of the Council of Governors and gazetted by the Chairperson.	Pension is an employment function exclusive to county governments.	The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act.
		Ministry of Public Service, Youth and Gender Affairs	Amend clause 6 (2) to allow for the representative of County Public Service Boards be nominated by the County Public Service Boards.		The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act.
		Ministry of Labour and Social Protection	Section 6 (2) (g) – define clearly which unions will provide the two representatives and what will be the criteria. Amend section 6 (2) (h) to read—		The Committee amended the membership of the Board to be all inclusive and in line with the Retirements Benefits Act.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			"the Chief Executive Officer appointed under section 18 who shall be an ex-officio member and secretary to the Board".		Benefits Act.
			From the reading of section 6 (2) (d) together with section 9, it is not clear who the person from the COG will be and the implications therein.		
			There is need to clearly identify whether the employer in County Governments is the County Assembly Service Boards or the County Public Service Boards. How shall they be nominated and by who?		
			Section 6 (4) renders part of section 6 (5) redundant.		
			Further, going by past experience, the nomination in section 6 (2) should be made explicit in the substantive Act. Leaving it to regulations could be subject to abuse. We propose further consideration of section 6 (5).		The Committee amended the membership of the Board to be all inclusive and in line
			The Bill is silent on quorum. This may affect the affairs of the Board and the Scheme in general.		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
7	KPMDU	Amend clause 7 (e) to read—	So long as a nominee meet the basic requirements under clause 7 (a) (b) and (d), they should be appointed to the Board	Allowed. Already covered under clause 7 (c). In addition, there is no clause 7 (e).	with the Retirement Benefits Act.
8	RBA	Amend clause (8) (c) by inserting the words “Retirement Benefits Act and” immediately after the words “provisions of”.	The list is not exhaustive as it does not include other grounds as provided for under the Retirement Benefits Act.	Disallowed. Already covered for in the Bill.	
9	KNUN	Rearranging the current clause as sub clause (1) and inserting the following new sub clause— (2) Notwithstanding the provisions of subsection (1), the appointment of any person as a trustee shall be subject to approval by the Authority.	The RBA Act also subjects the appointment of trustees to the approval of the Authority, which is not provided for in this Bill.	Disallowed. The Retirement Benefits Act is the guiding law on retirement schemes.	Disallowed. The Retirement Benefits Act provide for the term of Trustees as three years.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			Insert the following new sub clause in clause 9— (4) Upon the commencement of this Act, the Trustees shall be appointed within ninety days in accordance with the provisions of this Act.	accorded, it will create an avenue for intimidation and manipulation.	
10	RBA		Amend clause 10 (1) (e) by deleting the word “three” appearing immediately after the words “absence from”.	If the Board is not established in the shortest time possible, it will create a vacuum and confusion.	Allowed move to transitional clauses and regulations
10, 11 and 12	Council of Governors		Delete the term “Cabinet Secretary” in clauses and substitute therefore with the— “The Chairperson of the Council of Governors”	The Retirement Benefits (Occupational Regulations) provide for a trustee being absent from two consecutive meetings. Comply with RBA Act. There is need for compliance with the RBA Act and standardization.	Allowed. It is in line with the Retirement Benefits Act.
				Setting up of pension schemes for County Governments is a function of County Governments under the Constitution.	Disallowed.
				Indeed, public sector pension schemes such as KRA, CBK, Kenya Pipeline, Kenya	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			Power and Kengen, it is the management (employer) that establishes the scheme and chooses the trustees.	Treasury and Parent Ministries do not interfere. The full Council will therefore make recommendations for the chairman of the Council of Governors to effect.	Power and Kengen, it is the management (employer) that establishes the scheme and chooses the trustees.
12	County Assemblies Forum (CAF)	Amend the clause to provide timelines on the duration after the vacancy has been declared and reappointment of a new trustee to the committee	This will enable efficient replacement of trustee at a short notice without affecting the fulfilment of functions by the board.	This is to be provided for in the regulations.	Disallowed. This is to be provided for in the regulations.
14	CPF	Sub-clause (3) be deleted and the following new sub-section be substituted therefor – (3) Appoint a Custodian and Fund Manager, jointly with other schemes within the county government sector incorporate, or invest in the Corporate carry out their functions as specified in the Retirement Benefits Act after the	To ensure that the proposed scheme is administered through an external/corporate administrator appointed by the Board and regulated by the Retirement Benefits Authority. This is to avoid confusion in the implementation of the Act during the transition from the old schemes to one umbrella	Disallowed. This denies the Board of Trustees the power to choose an administrator.	Disallowed. This denies the Board of Trustees the power to choose an administrator.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		five year transition period.	Sub-clause (4) be amended by deleting the words “Chief Executive Officer or employees of the scheme” and substituting therefor the words “Trust Secretary and employees of the corporate administration”.	scheme for all counties after five years.	
	Ministry of Labour and Social Protection	Section 14 (3) (c) as read with section 39— The role to be played by reserves is not clear as this is a defined contribution scheme.	A member should maximum return for the years earned. A reserve may attract abuse.	get Disallowed. Reserves serve an important purpose even in defined contribution retirement schemes	
	Kenya National Union of Nurses	Insert sub clause 14 (3) (ka) to read— (ka) establish the administrative and human resource policies and procedures to govern the scheme fund and her employees.	The administrative and human resource policies and procedures will provide guidelines in the management and development of human resource capacity towards achieving of the various goals and objectives of the scheme fund and promoting national values and principles especially as espoused in Articles 10 and	Disallowed. This is an administrative duty and is better catered for under regulations.	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
16	RBA		<p>Amend the clause by deleting the words “consultation with SRC”</p> <p>Amend the clause to read—</p> <p>The Trustees shall be paid such remuneration or allowance as the Board may determine with approval of the Authority.</p> <p>Or</p> <p>The Trustees shall be paid such remuneration or allowance as the Board may determine in accordance with the Retirement Benefits Act and Regulations</p>	<p>SRC's mandate is to review the remuneration and benefits of all state officers and other public officers.</p> <p>The present clause contradicts section 5Ba of the RBA Act which provides for the object and functions of RBA to include—</p> <p>“(Ba)approve trustee's remuneration approved by members during the annual general meeting after every three years”</p> <p>Further this being a trust, the Board of Trustees ought to be an act independent of the Sponsor</p>	<p>Allowed. The proposal is in line with Retirement Benefits Act</p>
18	RBA		<p>Include a sub clause (7) to read—</p> <p>The Chief Executive Officer shall be appointed for a term of four years and shall be eligible for re-appointment for one further final term of four years</p>	<p>The term of the CEO cannot be open ended, good governance practices encourage term limits.</p>	<p>Disallow and provide for the term of the chief executive officer as three years renewable once.</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			based on satisfactory performance.		
LAPFUND			Amend clause 18 (7) to provide for a definite term of the chief executive officer.	Allowed	
Ministry of Labour and Social Protection			Section 18 (3) (b)— Specific academic qualifications for the CEO should be stated.	Already provided for	
18 and 19	CoG, CPF & Local Authorities Pension Trust (LAPTrust)		Clauses 18 and 19 be deleted	RBA Act gives discretion to the Trustees to appoint an administrator of their choice without interference Clause 18 and 19 conflict with clause 23.	Disallowed.
23	Council of Governors and CPF		Delete clause 23 in its entirety and substitute therefor with the following new clause 23— There shall be an administrator of the Scheme registered for that purpose under Section 25A of the Retirement Benefits Act. The Administrator which shall be jointly	To allow the Board to exercise their discretion to appoint an administrator as required under the RBA ACT and the law of Trusts. The best practice for multiple schemes is through an administrator registered by	Improve on proposals by COG, CPF, LAPFUND and RBA to allow Board discretion to choose the administrator as circumstances may dictate.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>owned by the Scheme established under this Act and all the Closed Schemes.</p> <p>The Administrator shall discharge functions delegated to it by the Board through an instrument of appointment. Without prejudice to the generality of the foregoing, the functions of the Administrator shall be to—</p> <p>discharge all administrative functions of the Scheme in accordance with the Retirement Benefits Act and the Regulations thereunder; and provide such other additional services as may be delegated to it by the Board under the instrument of appointment.</p> <p>The Administrator shall have all the powers necessary for the proper performance of its functions under the Retirement Benefits Act and the regulations therein.</p>	<p>RBA with shares amongst all schemes.</p> <p>Currently, the County Pension Fund and Laptrust DB are administered by CPF Financial Services, an established and reputable retirement schemes administrator currently valued at Kshs. 1 Billion.</p> <p>CPF Financial Services may be used in the transition period to administer all the schemes subject to suitable restructuring.</p>	<i>Clauses 18 and 19 be harmonised with clause 23 to give discretion to the Board of Trustees in the appointment of administrators and to avoid duplication of duties.</i>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
23	RBA	Insert sub clause (3) to read— The person appointed as chief executive officer of the scheme under section 18 (1) shall be the administrator to the scheme. The administrator shall be an employee of the Board.	It is not clear what the role of the CEO/Trust Secretary will be vis a vis the role of administrator. To avoid duplication of roles, the CEO may also serve as the administrator to the scheme.	Therefore to offer secretarial and administration services to the Board and will be in charge of the other employees (secretariat) of the scheme.	Improve on proposals by COG, CPF, LAPFUND and RBA to allow Board discretion to choose the administrator as circumstances may dictate. <i>Clauses 18 and 19 be harmonised with clause 23 to give discretion to the Board of Trustees in the appointment of administrators and to avoid duplication of duties.</i>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		LAPFUND	Insert a new sub clause (4a) to read— (4a) The person appointed as the chief executive officer of the Scheme under clause 18 (1) shall be the administrator of the Scheme.	The Bill advocates for internal administration of the Scheme. To avoid duplication of roles, the chief executive officer will also serve as the administrator of the scheme.	Improve on proposals by COG, CPF, LAPFUND and RBA to allow Board discretion to choose the administrator as circumstances may dictate.
	Inclusion of new clause 23A	CPF	Insert the following new clause— 23A (1) The Board of Directors of the Administrator shall comprise— at least one person appointed by Local Authorities Provident Fund Board; at least one person appointed by Local Authorities Pensions Trust Board; at least one person appointed by the County Pension Fund Board; one person appointed by County Public Service Boards Forum; two independent members possessing technical expertise in the pensions industry or any other profession appointed by the Council of Governors from the relevant professional bodies representing members in the three schemes; the chief executive officer of the corporate administrator;		Disallowed

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>one member appointed by the Cabinet Secretary.</p> <p>(2) The board of the Corporate Administrator shall elect a chairperson from among their number.</p> <p>(3) The Board Members shall have a minimum of seven years' experience in the following areas of expertise—</p> <ul style="list-style-type: none"> investments; human resource and pensions; finance; law; and communication or engineering. 		
24		County Assemblies Forum (CAF)	<p>Amend to provide that all members contribute a uniform 12 %, add a proviso that the contribution be consistent with the Retirement Benefits Act (RBA) and the RBA Regulations.</p>	<p>The provision of not less than seven and a half percent leaves too much discretion to the various service boards, which can be exercised to the detriment of employees.</p> <p>Various boards shall interpret to provide divergent amounts where some contribute the statutory minimum while others contribute the highest possible.</p>	<p>Allowed. There is need to respect the views of county employees</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		CPF	The Bill is amended in clause 24 by— inserting the words “an amount equal to twelve percent of his pensionable emoluments, or higher or lower rate as may be prescribed by the Board” immediately after the word “Scheme” in clause 24 (1) deleting the sub clause (2) and substituting therefor the following new sub clause— (2) The sponsor shall make its own contribution on behalf of the member of the scheme who is his employee at the rate of fifteen percent of a members pensionable emoluments, or any higher or lower amount as may be prescribed by the Board.	A reduction in contribution rates violated Regulation 40 (b) of RBA Occupational Regulations 2000. Creates two categories of employees thus discriminatory. Reduces employees' benefits contrary to section 138 of the County Governments Act.	Allowed. There is need to respect the views of county employees
26	RBA		Delete clause 26 (3) (a) or in the alternative amend to read— Where a member leaves employment, the member may opt for payment as prescribed by the Authority and the investment income that has accrued in respect of those contributions	The clause contradicts Regulation 19 (5) of the Occupational Regulations. The years of service are irrelevant because all benefits vest immediately.	Allow the alternative clause as it is in line with the Retirement Benefits Act.
37	CPF		Delete the words “County Government		Disallowed

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			Retirement Fund” and substitute therefor the words “County Pension Fund”.		
38	CPF	Insertion of new clause 23B	<p>The Bill is amended in clause 38(4) (a) by deleting the word “Board” and therefore substituting with “administrator”.</p> <p>Insert clause 23A on the Chief Executive Officer and other staff immediately after clause 23 to read as follows—</p> <p>23A (1) There shall be the chief executive officer of the Administrator who shall be appointed by the Board under an instrument of appointment.</p> <p>(2) A person is qualified for appointment as the chief executive officer if that person—</p> <ul style="list-style-type: none"> is a citizen of Kenya; holds at least Master's degree from a university recognized by the law in 	<p>Delete the marginal note and substitute therefor the following –</p> <p>County Pension Fund.</p> <p>To provide for the staff of the administrator and establish a governance link to the Board of Trustees through the CEO who is the Secretary to the Board.</p> <p>Improve on proposals by COG, CPF, LAPFUND and RBA to allow Board discretion to choose the administrator as circumstances may dictate.</p>	Disallowed

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		Kenya;	<p>has at least ten years of experience of which five years should be at senior management level in a profession relevant to the functions of the Scheme; is a member of the professional body regulating the relevant profession; and meets the requirements of leadership and integrity set out in Chapter Six of the Constitution.</p> <p>(2) The chief executive officer of the Administrator shall be—</p> <p>the Trust Secretary of the Board established under Section 6, including the board of the closed schemes; and the accounting officer of the Scheme, including the closed schemes.</p> <p>(3) The chief executive officer may be removed from office by the Board on such grounds as may be set out in the instrument of appointment.</p>	<p>To raise the penalty for wilful misappropriation of scheme assets.</p>	<p>Allowed. This will deter misappropriation of funds.</p>
48	KPMDU		Amend clause 48 (1) by increasing the jail term to not more than 5 years instead of 3 years		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
51	Council of Governors	Amend clause 51 to read— “The Chairperson of the Council of Governors shall in consultation with the Retirement Benefits Authority and all the stakeholders make Regulations generally for the carrying out of any provisions of this Act.	This will ensure that the Regulations prescribed are implemented effectively at the county level.	This will ensure that the Regulations prescribed are implemented effectively at the county level.	Disallowed. It is the Cabinet Secretaries and county executive committee members who make the regulations
52	Council of Governors	Clauses 52 (1) (2) & (3) are deleted	It contradicts the provisions for closure of schemes and the transition period of five years.	It contradicts the provisions for closure of schemes and the transition period of five years.	Disallowed. The clause is in order.
53	Council of Governors	Delete the clause and replace with the following new clause— 53. The Sponsors and Members of the Scheme are exempt from making contributions to the National Social Security Fund or any other statutory pension scheme.	Traditionally, members of pension schemes have been exempted from NSSF. The High Court suspended NSSF Act to make pensionable employee members of NSSF.	Draft a clause on NSSF contributions ensuring payment is to one scheme to ensure that employees and employers are protected to ensure that there is no vacuum.	Anything short of a complete exemption from NSSF will be too expensive for employees and employers which will hurt employees in the long run.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
				No. 8 of 2012 provides for a full exemption.	
53 & 54	LAPTrust	Delete the clauses proposing to repeal Cap 272 and further proposing to revoke Legal Notice No. 50 of 2007.	The repeal is improper as it breaches Rule 5 of the Retirement Benefits (Minimum Funding Level and Winding-up of Schemes).	Disallowed. The provisions of the Retirement Benefits (Minimum Funding Level and Winding-up of Schemes) have been catered for under the Bill	
54	COG	Amend clause 54 (1) by deleting the term “Cabinet Secretary” and substituting therefor with the word “Chairperson”.	To align to the Constitution.	Disallowed	Disallowed. This is legislating for a private entity.
	CPF	Amend the Bill by inserting a new clause 54A to read—			
		54 (1) All permanent and pensionable officers and staff employed by a county government shall from the commencement of the County Governments act, No. 17 of 2012 subscribe to the County Pension Fund in accordance with section 132 of the County Government Act.			
		(2) The County Pension Fund is the successor of Laptrust (Umbrella)			

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>Retirement Fund previously established and registered under Trust Deed and Rules under Retirement Benefits Authority Certificate of Registration No. 01305.</p> <p>(3) All rights, obligations, assets and liabilities of the Laptrust (Umbrella) Retirement Fund existing on the date of the coming into operation of this Act shall inhere to the County Pension Fund.</p> <p>(4) Gratuity for all contract staff and officers in the service of a county government shall be managed in an individual pension scheme established for that purpose by the trustees of the closed pension scheme.</p>		
	Inclusion of new clause	CPF	<p>The Bill is amended by introducing the following new clauses immediately after clause 54—</p> <p>54A (1) The administrator provided for under section 25 of this Act shall be the administrator registered under the Retirement Benefits Act as CPF Financial Services under Certificate of Registration Number RBA/A/15/031.</p>	Disallowed	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>the commencement of this Act—</p> <p>the shareholding of the administrator shall be apportioned to the three schemes in proportion to their asset value in line with the Retirement Benefits Act and other relevant law;</p> <p>any assets previously used by in-house administration shall upon valuation be transferred to the administrators and count to the relevant Scheme's shareholding in the administrator;</p> <p>the staff currently administering the current schemes shall be merged to constitute the initial staff of the administrator;</p> <p>the terms and conditions of service of the staff shall to whom this section applies shall neither be varied to the disadvantage nor their accrued benefits interfered with but may only be improved to their advantage;</p> <p>the respective chief executive officers of the administrators of the closed schemes shall be interviewed by the Board and the most suitable among them appointed the chief executive officer of the administrator and the others paid off their remaining salary entitlements,</p> <p>retirement benefits and pensions for the</p>		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
	55	Council of Governors and CPF	<p>The Bill is amended by deleting clause 55 (1) and substituting therefor with the following paragraphs —</p> <p>The members of Laptrust (Umbrella) Retirement Fund shall be transitioned into the scheme.</p> <p>All officers and staff employed by a county government shall from the commencement of the County Government Act, No. 17 of 2012 subscribe to the County Pension Fund in accordance with Section 132 of the County Government Act.</p>	<p>To operationalize section 132 of the County Governments Act.</p> <p>County Governments have adopted the County Pension Fund (Laptrust [Umbrella] Retirement Fund as their scheme of choice.</p>	<p>Disallowable</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>therefor with the term "Chairperson"</p> <p>Insert the following clause immediately after clause 55(6)—</p> <p>(6) (A) Gratuity benefits for all contract staff and officers in the service of a county government shall be managed in an individual pension scheme established for that purpose by the trustees of the closed pension scheme.</p> <p>(1) For Purposes of this section—</p> <p>A "Closed Scheme" means a scheme which is closed to new members but which otherwise functions as a normal scheme for its continuing members.</p> <p>"Liabilities" means pension debts owing to a retirement benefits scheme as a result of unremitted contributions, and include the principal or historical pension debt, actuarial deficits, interests and penalties.</p> <p>2) On the Commencement of this Act —</p> <p>Local Authorities Pension Trust shall operate as Closed Scheme only and shall</p>	<p>The of Cap 272 and LN 50 of 2007 contradicts and conflicts—</p> <p>the procedure for dissolution, winding up and merger of schemes as prescribed under RBA</p>	<p>This to prevent commingling of the assets and liabilities of</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>operate as such until the last member is paid;</p> <p>Local Authorities Provident Fund shall operate as Closed Scheme only and shall operate as such for a period of 5 years or until all their Liabilities are settled by government, whichever is earlier;</p> <p>Any person who immediately before the commencement of this section was a Chairperson or Member of the Board of the Closed Schemes shall continue to serve for the remainder of their unexpired term.</p>	<p>the schemes.</p>	<p>During the 10 years transition period, the Trustees of a Closed Scheme shall, where appropriate, ensure that; the arrangements and particulars for amalgamation and transfer, including copies of actuarial reports, in respect of the schemes and other statements taken into account for the purposes of the amalgamation and transfer have been submitted to the Authority;</p> <p>the Authority is furnished with such additional particulars, or such specific reports by an actuary or auditor, as may be required;</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>all liabilities of the schemes are collected as provided for under Retirement Benefits Act; the consent of its members has been sought for purposes of transfer to and amalgamation into the County Pension Fund;</p> <p>The written approval is obtained from the Authority to the effect that the requirements of the Retirement Benefits Act have been satisfied.</p> <p>(1) The Local Authorities Provident Fund shall amalgamate or merge into the County Pension Fund within a five (5) or ten years or upon receipt of the written approval of the authority that the requirements for amalgamation have been obtained or upon settlement of all liabilities, whichever is earlier</p>		
56	COG		<p>The Bill is amended in clause 56 (1) by deleting the words “the Local Authorities Provident Fund” appearing immediately after the words “member of the”.</p> <p>Delete clause 56 (2) and substitute therefor with the following new</p>	<p>To align to the County Governments Act and the Attorney General’s Legal Opinion dated 24th December, 2019.</p>	Disallowed

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>clause—</p> <p>(2) The Local Authorities Pension Trust (Defined Benefits) Scheme shall on the commencement date remain closed funds to new entrants and shall ensure the preservation of all accrued rights of members.</p> <p>Insert the following new subclasses after sub clause (3)—</p> <p>(3a). Local Authorities Pension Trust shall operate as a Closed Scheme only and shall operate as such for a transition period of 10 years during which time—</p> <p>the arrangements and particulars for amalgamation and transfer, including copies of actuarial reports, in respect of the schemes and other statements taken into account for the purposes of the amalgamation and transfer, have been submitted to the Authority;</p> <p>the Authority is furnished with all additional particulars, or specific reports by an actuary or auditor, as may be required;</p> <p>all Liabilities of the schemes are collected as provided for under the Retirement Benefits Act,</p>		Progressive proposals that will protect the interests of employees should be isolated and considered

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			the consent of its members has been sought for purposes of transfer to and amalgamation into the County Pension Fund.	Amend clause 56 (6) of the Bill by deleting the words “The State Corporations Advisory Committee” appearing immediately before the words “shall within” and substitute therefor with the words “The Council of Governors”.	The State Corporations Advisory Committee has no mandate in overseeing the implementation of a county pension scheme Allowed, substitute State Corporations Advisory Committee with RBA
	CPF			Delete clause 56 (6).	State Corporations Advisory Committee (SCAC) has no technical capacity or mandate to oversee merger and amalgamation of schemes which is under the purview of the Trustees and Retirements Benefits Authority only.
				Insert the following new clauses after clause 56— Inter-scheme Transition Committee— 56A (1) There is established a	Pension schemes are not

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		LDER	<p>committee to be known as Inter-scheme Transition Committee composed of three trustees from each scheme.</p> <p>(2) The Chairman shall be appointed from the membership of the Committee for a maximum term of two years at each rotation circle.</p> <p>(3) The Committee may meet on a quarterly basis and on such other times as the presiding chairman, the Corporate Administrator, the County Pension Fund and the Closed Schemes may request considering the urgency of any matters to be addressed.</p> <p>(4) The quorum for the conduct of the business of the Committee shall be five members present or by resolution circulated and approved by the number forming a quorum.</p> <p>(5) Any costs incurred or expenses expended by the Committee in the discharge of their duties and responsibilities under this Act shall be apportioned to each of the three schemes equally.</p> <p>(6) A member of the Committee who</p>	<p>We recommend that a transition Committee be formed by the schemes but be answerable to RBA for a maximum term of two years at each rotation circle.</p> <p>The Committee must give a quarterly report to the Senate on the transitional process.</p> <p>The conduct of Inter-scheme Transition Committee shall be prescribed by regulations</p> <p>Align with the role of the Retirement Benefits Authority.</p>	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>absents himself from three consecutive meetings of the Committee without written permission from the chairperson of the Committee and is unable or has neglected to provide any reasonable excuse for his absence shall lose his membership in the Board of the Board in the Scheme in w which he represents.</p> <p>(7)The meetings of the Committee shall be convened and records kept by the Corporate Administrator at the request of the chairperson of the Committee in accordance with the Regulations made the Committee.</p> <p>(8) The Committee shall stand dissolved ten years after the commencement date or upon the complete discharge of their responsibilities under this Act, whichever is earlier.</p> <p>(9) The Committee shall present quarterly reports to the Retirement Benefits Authority who shall oversee the implementation of this Act.</p>		Functions of the Inter-scheme Transition Committee

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		LDER	<p>56B. The functions of the Inter-scheme Transition Committee shall be to provide for—</p> <p>Consultations between the schemes and the corporate administrator on matters of common interest between the schemes;</p> <p>Dealing with any differences among the schemes that may arise on transfer of data, assets, liabilities and Members to the County Pension Fund and of employees and administrative assets to the corporate administrator and bringing consensus among the Schemes on areas of common interest or divergence;</p> <p>considering any policies and plans formulated, developed and implemented by the County Pension Scheme, in conjunction with the corporate administrator and the closed schemes to ensure a smooth transition to a Umbrella pension scheme in accordance with this Act, the County Pension Fund Act and the Retirement Benefits Act;</p> <p>receiving reports from the corporate administrator on the progress of implementation of the County Pension Scheme, any agreement between the closed schemes and the County Pension</p>		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>Fund, and particularly deliberating on the implementation of the following—</p> <p>the transfer of human resources and their accrued benefits and rights to the corporate administrator in accordance with this Act;</p> <p>the transfer of such assets as may be required for the effective functioning of the resources transferred under paragraph (i);</p> <p>the audit, valuation and verification of assets and liabilities of the closed schemes, and settlement of the liabilities to the closed schemes by their sponsors; and</p> <p>approve hiring of consultants to facilitate studies and oversee merger and amalgamation of the schemes.</p> <p>Consultation for the proper implementation subsection (2) (d).</p>		
LAPFUND			<p>Insert a new sub clause amending the County Governments Act to read—</p> <p>“Section 132 of the County Governments Act, 2012 is deleted”.</p>	<p>This was a transitional provision for the county governments which has been spent</p>	<p>Disallowed. The Bill amends Section 132 of the County Governments Act, 2012</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>was a chairperson or member of the Board of the closed schemes shall continue to serve for the remainder of their unexpired term.</p> <p>RBA</p> <p>Amend clause 56 (3) to read—</p> <p>Subject to subsection (2), the closed funds shall continue to pay any pensions and benefits as and when they fall due for a maximum period of five years from the commencement date.</p> <p>Provided that Local Authorities Pension Trust (Defined Benefits) Scheme, shall continue to pay its members until the last member is paid or until the death of the last member, with an option to outsource pension payment (annuity) where it is deemed more efficient than making payments from the scheme.</p>	<p>Unless the Laptrust DB Scheme is fully funded by the end of the fifth year, we propose that the Laptrust DB Scheme be given a longer lifeline as opposed to the counterparts, until the last member is paid.</p> <p>The cost of paying pension from the scheme is expected to be cheaper than payment from an insurance company.</p> <p>The DB Scheme has a promised guaranteed pension based on a formula. Transferring benefits to another scheme which provides a different structure may compromise (by depleting) the accrued benefits of the members.</p>	Allowed for smooth transition

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
	RBA		Delete clause 56 (6)	SCAC has no role when it comes to retirement benefits	Allowed
	Ministry of Labour and Social Protection	What happens to those who are not due for retirement—	Additionally, part of the transitional clause should direct that all previous schemes that collected contributions from the County workers should be subjected to a thorough forensic audit by the Auditor-General as read with the Sixth Schedule to the Constitution.		Allowed
57	CPF		Management of liabilities owed to NSSF and other schemes by the employer should be considered by this Bill.		Allowed

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
				liabilities.	
58	CPF		Amend the Bill to increase the transition period to 10 years or upon payment of all liabilities of the schemes.	Government may not be able to settle all liabilities within five years, thus the need to increase the transition period to ten years.	Consult RBA on timelines
PROPOSED NEW CLAUSES TO THE BILL					
	Inclusion of new transition provisions	Council of Governors	(1) Notwithstanding any other provision of this Act or any other written law, Local Authorities Pensions Trust (Laptrust) and Local Authorities Provident Fund (Lapfund) shall upon the commencement of this Act become Closed Schemes for the benefit of their existing members only.	The transition will enable Provide a clear framework for closure of Laptrust (DB) and Lapfund to new entrants in line with the recommendations of the Technical Committee.	Disallowed, dealt with earlier on

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			(2) The Closed Schemes shall exist alongside the County Pension Fund established under the County Pension Scheme Act, 2017 until such time that the last Member, Contributor or Beneficiary of the Closed Schemes is paid off or transfers to the County Pension Fund at the end of ten-year transition period under this Act.	All the employees of the defunct local authorities were appointees of the Public Service Commission, thus employees of the National Government hence the National Government was responsible for remuneration (including pension) of the employees of the defunct local authorities.	Dealt with in earlier suggestions by other stakeholders.
	Include a clause on liabilities	Council of Governors	All liabilities of the closed Schemes be resolved and settled by the National Government.	All the employees of the defunct local authorities were appointees of the Public Service Commission, thus employees of the National Government hence the National Government was responsible for remuneration (including pension) of the employees of the defunct local authorities.	Dealt with in earlier suggestions by other stakeholders.
	Sharia Compliance	RBA	Include a provision for a Sharia Compliance/Supervisory Committee consisting of 3 to 5 members.	The Bill does not recognise or take into consideration the Sharia laws and some of the county governments or associated organisations have majority of staff who profess	Disallowed. This is an administrative function.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		CPF	<p>Insert clause 15A to read—</p> <p>15 A (1) Notwithstanding the committees provided for under section 15, the Board shall appoint a Shariah Supervisory Committee which shall consist of a minimum of three and a maximum of five members.</p>	<p>For the benefit of their respective members of wish to have their pension invested in a Shariah compliant manner.</p> <p>(2) The quorum for the conduct of the business of the committee shall be two members or by resolution circulated and approved by the number forming a quorum.</p> <p>(3) The membership of the committee shall be drawn from the most renowned Muslim scholars with sufficient expertise and integrity in the management of a sharia compliant pension scheme.</p> <p>(4) The mandate of the Shariah Supervisory Committee shall be to— advise the Board on the requirements of Shariah law in respect to Shariah compliant pension schemes to ensure the Muslim religion.</p>	<p>Disallowed. This is an administrative function.</p> <p>Notably, the Shariah compliant funds of both schemes have recruited substantial membership who must be catered for in the Bill.</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			that at all times, the Board is managed and invested in a Sharia compliant manner; and monitor and supervise the management and investment of Shariah compliant sub fund to ensure that the same is Shariah compliant.		

The amended clause 6 by the Committee

6 (1). The management of the scheme shall be vested in a Board of Trustees of the Scheme.

- (2) There is established the Board of Trustees of the scheme which shall comprise of—
 - (i) the chairperson elected by the Trustees from among themselves under paragraph (c), (d), (e) and (f);
 - (j) a representative of the Council of County Governors;
 - (l) a representative of the County Public Service Boards;
 - (m) a representative of the County Assembly Service Boards;
 - (n) five persons nominated by most representative trade unions representing employees of county governments of whom at least two shall not be of the same gender as follows—
 - (i) four persons from trade unions representing the employees within the county executive; and
 - (ii) one person from trade unions representing the employees within the county assemblies' service; and
 - (o) the chief executive officer who shall be an ex officio member and the secretary to the Board.
- (3) The vice-chairperson of the Board shall be elected by the Trustees from among their number.
 - (4) The Chairperson and vice-chairperson shall be of opposite gender.

- (5) The Cabinet Secretary shall ensure that not more than two thirds of the members of the Board are of the same gender.
- (6) The appointment of Trustees under subsection (2) shall be made by the Cabinet Secretary by a notice in the Gazette.
- (7) The procedure for nomination and appointment of Trustees under subsection (2) shall be as prescribed in the regulations.

GENERAL VIEWS ON THE BILL

7. **The National Treasury** supports the Bill and noted that the Bill is in line with what was agreed on by the stakeholders in Naivasha in 2015 and on the following key issues in particular—
- (a) the establishment of a new umbrella scheme as this will ensure that no liabilities are carried to the new scheme;
 - (b) appointment of the administrator;
 - (c) definition of pensionable emoluments as per Treasury Circular No.18 of 2010;
 - (d) section 24 on contributions in line with Treasury Circular No.18 of 2010; and
 - (e) administrative expenses at 1.5 % of fund value.
- The National Treasury made the following proposals—
- (a) the chairperson under clause 7(3) should be appointed by the Cabinet Secretary;
 - (b) provide for closure of Lapfund and Laptrust schemes to new entrants;
 - (c) merge administration services of Lapfund and Laptrust;
 - (d) close Lapfund for county employees including former local government;
 - (e) close Laptrust for county employees including former local government;
 - (f) current pensioners in the closed funds will continue to be paid their benefits from the closed schemes;
 - (g) members who transit to new scheme will have their accrued pensions rights preserved in schemes;
 - (h) actuarial valuations to be done to determine the assets and liabilities of the two schemes; and
 - (i) staff of both schemes will be absorbed in the new scheme as secretariat but will be serving the closed schemes; and
 - (j) details on how the merger will be done to be provided in the regulations.

8. The **Retirement Benefits Authority** fully supports the Bill as it captures the spirit and intention of establishing a county pension scheme and adopts the recommendations of an Interagency Technical Committee established by the Transition Authority in 2013.

9. The **Kenya National Union of Nurses**, through their secretary general, stated that they supported the Bill. They specifically stated that they supported the Bill for the following reasons:

- (a) It protects contributors' money by stating that "no funds of the scheme shall be advanced as ordinary loans to anybody other than as provided for in the Retirement Benefits Authority Act".
- (b) It provides for an internal administrator which they support as a union.
- (c) It addresses satisfactorily how employees of the two schemes shall be handled after its enacted.
- (d) It is a product of government, built on the foundation of the input from all key stakeholders.
- (e) It addresses the operation of existing schemes in terms of transition.

10. **Mr. John K. Billy, the National Chairman of the Kenya National Union of Nurses** observed that the County Pension Scheme Bill, 2016, which was passed by the Senate on 16th June, 2017 but lapsed in the 11th Parliament, was a comprehensive proposal and that they had not been involved in the development of the County Government Retirement Scheme Bill, 2018. They further noted that the Bill is not aligned to the existing law as it abolishes the existing pension schemes contrary to section 132 of the County Governments Act and reduces employee contribution from 12% to 7.5% contrary to sections 73(1) & 138(1) (a) of the County Governments Act. They proposed that the Bill be withdrawn and in its place a Bill that is in compliance with the existing laws be introduced. They further proposed that the Bill be opportunity to appear before the Committee to provide further details as to why the Bill should not be allowed to proceed.

He also proposed the amendment of clause 6 (2) to increase representation of county employees to five.
He also proposed the reduction of the representatives of County Assemblies Forum.

11. The **National Social Security Fund**, through its Managing Trustee supports the Bill. It however observed that the Bill—
- (c) has not transferred members of the old schemes to the proposed new scheme. It only transfers member contribution with conditionality;
 - (d) no reference has been made to the Insurance Regulatory Authority, yet it is the regulator of insurance related benefits (annuity);
 - (e) the Bill should provide clear jurisdiction on the powers of the Speaker of the Senate and the County Public Service Boards;
- (f) the qualifications of the chief executive officer of the scheme should be clearly spelt out;
- (g) section 18 has not given the chief executive officer the powers to be the Administrator, meaning that this will be a role separate from the chief executive officer in addition to that role being of an employee and hence creating confusion;
- (h) include Huduma Card as a form of identification under clause 28 (2);
- (i) this being a defined contribution scheme, there is no need for a reserve account. The money should be credited into the members' accounts. It is not clear when the monies will be vested;
- (j) should address the question of pensioner due for retirement; and
- (k) fails to provide for when the closed schemes shall be wound up. This should happen within five years.
12. The **Council of Governors** opposed the Bill in its entirety. It was of the view that the Bill ought to be stayed to allow consultations to facilitate a consensus among stakeholders. The Council therefore requests the Senate to stay the Bill pending further consultations
13. The **Local Authorities Pension Trust** opposed the Bill. It was concerned that the Bill once passed would occasion losses of over 1 Billion Shillings on it and occasion the loss of over 200 jobs. It therefore proposed that the Senate—
- (d) reinstates the County Pension Scheme Bill, 2017 as the same ensures equity amongst all the schemes (LAPPFund, LAPTrust and CPF);
 - (e) maintains the current contribution rates of 12% and 15% of employee and employer contributions respectively on both basic salary and house allowance components;

- (f) exempts fully members of the scheme from contributing to NSSF;
- (g) amends the Bill to anchor the County Pension Fund (LAPTrust [Umbrella]) Fund in line with section 132 of the County Governments Act and as recommended by the Attorney General; and
- (h) entrenches CPF Financial Services as the joint administrator for all the schemes and provide for restructuring of its shareholding to ensure ownership by all the schemes i.e. LAPFund, LAPTrust and CPF.

14. **The Kenya County Government Workers Union** proposes a merger of the closed schemes under one administrator and has the following concerns on the Bill:

- (f) The Bill should not revoke the two legal instruments that give birth to both LAPTrust and LAPFund. The Bill should only operationalize section 132 of the County Governments Act by anchoring the two existing pension schemes under an Act of Parliament to protect the interests of members of the Union.
- (g) The Bill should not reduce employee contribution (from 12% on basic salary and house allowance to 7.5% on basic salary only) as it is against the interest of employees and would go against existing collective bargaining agreements.
- (h) The Bill should not merge and coningle assets of existing schemes as it cannot be operationalized. This will also create issues especially with respect to the outstanding liabilities owed to LAPTrust and LAPFund.
- (i) Any reforms should not diminish members' representation. The representatives should come from the most representative Unions and should be 50% for the Defined Contribution and 30% for the Defined Benefit Scheme as provided in the Retirement Benefits Act.
- (j) The Bill should avoid to make it an occupational scheme and not a state corporation.
- (k) The Bill should do away with contributions to NSSF.
- (l) The Bill should explicitly make provision for the payment of debts, totaling over 42 Billion Shillings, by county governments.
- (m) There is need for an Inter-scheme Committee comprising of trustees of the three boards to—
 - (i) manage the debts of the scheme and ensure that they are fully paid;
 - (ii) manage assets and liabilities;
 - (iii) protect records of members;
 - (iv) verify benefits; and
 - (v) determine the staffing requirements before full merger.

15. The Kenya Concrete, Structural, Ceramics Tiles, Wood Ply and Interior Designs Workers Union submitted as follows—

- (a) the Bill has proper structures to protect the contributor's money;
- (b) it has internal proper administrator which we support;
- (c) it addresses satisfactory how all employees of the two schemes shall be handled at the commencement of the Act;
- (d) it has addressed all the operations of existing schemes of transition; and
- (e) apart from representation from the umbrella body of trade union we propose that the union in the sector should represent the interest of the members.

16. The Rift Valley Railways Workers Union (K) supported the Bill and submitted as follows—
The Rift Valley Railways Workers Union (K) supported the Bill and submitted as follows—

- (a) there is need to reconsider the appointment of the chairperson by the Cabinet Secretary. The Board should be independent and autonomous;
- (b) gender representation in the Board of Trustees should be determined by the Board itself and not the Cabinet Secretary;
- (c) the appointment of Trustees under clause 9 (3) should be done at the same time and not staggered;
- (d) the power bestowed on Cabinet Secretary under clause 10 (1) is unprocedural and does not follow the due process;
- (e) the scheme should be administered internally and not through a Corporate Administrator;
- (f) the union proposes an amendment to clause 6 (d) to have all individual registered unions nominate the two representatives through an agreed due process rather than the Umbrella Organisations; and
- (g) the process to remove a Trustee should be fair and not left to the Cabinet Secretary entirely

17. The County Assemblies Forum (CAF) supported the speedy enactment of the Bill and submitted as follows—
The County Assemblies Forum (CAF) supported the speedy enactment of the Bill and submitted as follows—

- (a) the provisions of the Bill are in line with the best practices for public sector scheme in areas of appointment of the CEO, the payments to be made by the employer and employee, budgeting and auditing;
- (b) the provisions of the Bill are in line with the Retirement Benefits Act and Regulation on appointments of the fund managers and custodians, duties and powers of the Board and collections of the contributions;

- (c) the Bill should be amended to incorporate the state officers in the county to avoid duplicity in laws considering the cost of coming up with a legislation;
- (d) the five million shillings penalty for offences under the Act is too punitive and should be reviewed downwards in clause 48; and
- (e) the Bill has incorporated all their concerns raised at the National Assembly.

18. The **County Assembly of Nairobi** supported the Bill and submitted as followed—
- (a) the Bill proposes a single institution to handle retirement benefits for county government workers;
 - (b) the Bill proposes diverse retirement products including pensions, provident annuity...;
 - (c) the Bill proposes immediate vesting of benefits to a member upon remittance by the sponsor;
 - (d) the Bill will bring closure to issues that workers have been grappling with for the last 5 years; and
 - (e) the Bill reflects the agreement by the stakeholders after several Bills had been tabled to safeguard the best interests of the workers.

19. **LAPPFUND** fully supports the Bill and submitted as follows—

- (a) the Bill reflects the will of the Senate led stakeholders meeting in Naivasha in 2015;
- (b) the Bill seeks to align the management of pension for county government workers;
- (c) the Bill accommodates all retirement arrangements (pensions, provident, annuity and income drawdown) in line with the global trends;
- (d) the Bill proposes internal administration of the Scheme which is the best practice for public schemes. This is the same scenario with NSSF, Central Bank, KPA, Kenya Power and LAPFUND. Statutory schemes are by best practice administered internally; and
- (e) the Bill caters for retirement benefits of employees hired by county governments, employees of former local authorities and civil servants devolved to county governments.

20. The **Kenya Union of Clinical Officers** did not support the Bill for the following reasons—

- (a) the Bill proposes creation of a totally new scheme without a justification. The County Pension Fund is already in place;
- (b) the Bill demeans the workers representation to only two members, in reference to clause 6 (g);
- (c) the Bill winds up Laptrust and Lapfund without a proper transition; and
- (d) it reduces workers' benefits by reducing contribution rates from the current 12% to 7.5% of employee contribution

They proposed that—

- (a) the workers representatives to the Board be enhanced from 2 to at least 4;
- (b) the existing schemes should be merged, and County Pensions Fund should be retained as the scheme of choice; and
- (c) members contributions should be maintained at 12% and 15% for the employees and employers respectively.

21. The **Ministry of Devolution and ASAL State Department for Devolution** submitted as follows—

- (a) the Ministry fully supports the Bill;
- (b) upon enactment, the Bill shall provide a harmonised, efficient and cost-effective management structure of the existing retirement schemes;
- and
- (c) the issues that have not been sufficiently provided for are—
 - (i) assets and liabilities;
 - (ii) appointment of representative to the Board; and
 - (iii) transition of staff of closed schemes.

22. Hon. Joe Donde, the Chairperson of County Public Service Board supported the Bill noting that it was a product of several stakeholders.

23. The **Salaries and Remuneration Commission** noted that upon review of the County Governments' Retirement Bill (2018) against the Commission's earlier submissions and various interactions with other stakeholders, it is hereby acknowledged that most of the issues that the Commission had raised in the past have been dealt with. Specifically, the following issues have been addressed:

- (a) **Definition of the Pensionable Emoluments as being the basic salary without any allowances or fluctuating allowances;** this is now consistent with all other definitions both by the National Treasury Circular No. 18 of 2010, the Public Service Superannuation Act of 2012 and the Commission's various advisories on pensionable emoluments.
- (b) **Clause 16 on Remuneration of Trustees;** The Commission had advised that this be in consultation with it and it is noted that this has been revised accordingly.

- (c) **Clause 23 on appointment of administrators;** The Commission had in the past concurred with the view that appointment of service providers is the duty of the Board of Trustees. The provision that the administrator be appointment by the Board is therefore proper.
- (d) **Clause 24 on contribution rates;** in an earlier submission the Commission had raised concern that subjecting the members to 12 $\frac{1}{2}$ percent contribution rate was a heavy financial burden and had proposed that this be limited to 7 $\frac{1}{2}$ percent of pensionable pay. The revision of contributions to the rates of 7 $\frac{1}{2}$ % and 15 % for both employee and employer respectively based on pensionable emoluments, resonates with the Commission's advice.
- (e) **Compliance with the new NSSF Act, 2013;** it is noted that the Bill is now compliant with the NSSF Act, 2013 as far as exemptions are provided, through revisions of Clauses 4 and 53 and in accordance with the Commission's earlier advise.
- (f) **Limitations of the administrative expenses** of the scheme to 1 $\frac{1}{2}$ percent of the fund value as earlier submitted by the Commission in 2017 has also been incorporated. The cap on fees is modest and in line with the market cost of administration.
- (g) **Clause 55;** this has now included Laptrust Umbrella Scheme as a closed fund as per the Commission's earlier advise in 2017. It is therefore consistent with the definition of the closed schemes in this context.

24. The **County Public Service Boards, National Consultative Forum**, made the following representations—

- (a) that the Bill proposes a totally new scheme contrary to existing laws on this matter which states that employees must be enrolled into an existing pension scheme, namely the County Pensions Fund in line with section 132 of the County Governments Act;
- (b) there is need to increase the transition period from five to ten years and clarify the transition process, delineate the roles of the schemes;
- (c) Laptrust DB Scheme should be run independently as a closed scheme until the last member is paid;
- (d) that during the transition period—
 - (i) Lapfund should continue with its current in-house administration;
 - (ii) Laptrust DB and County Pension Fund should continue with their corporate administration;
 - (iii) administration be merged into one administration organisation as shall be determined by the Board at the end of the transition period
 - (e) exempt the scheme from NSSF contributions.

25. **Mr. Kinuthia Wamwangi, EBS**, the chairperson of the defunct Transition Authority noted that the Bill reflects the Bill adopted by the stakeholders in 2015. He urged the Senate to pass the Bill.

26. Two members of the public fully supported the Bill but wanted the employee contribution to the scheme to be raised to 12% from the current 7.5%.

27. The Ministry of Public Service, Youth and Gender Affairs fully supports the Bill and informed the Committee that—
(a) pursuant to the resolutions of the 6th National and County Government Coordinating Summit held on 22nd June, 2018, the Inter-Governmental Steering Committee (IGSC) OF THE Capacity Assessment and Realization of the Public Service (CARPS) Programme has undertaken to review the CARPS Programme Report;
(b) non-existence of a common pension scheme for county governments staff was identified as a key gap in the management of the public service within a framework of common norms and standards. The Summit recommended the need to harmonize the three different pension schemes Bills dealing with the establishment of a common pension scheme for county government staff that were in Parliament; and
(c) the Summit also recommended that the key stakeholders, the National Treasury and the Council of Governors to reach consensus on the five key issues that were hindering the progress of the Bill.

The Ministry highlighted the key issues that require consensus and its recommendation as tabulated below—

NO.	ISSUE	MINISTRY'S RECOMMENDATION
1.	Board of Trustees	<p>The Ministry concurs with the provision of clause 6 (2)(a) of the Bill for the appointment of the chairperson by the Cabinet Secretary and further proposes that clause 6 (2) should be amended to allow for the representative of County Public Service Boards to be nominated by the County Public Service Boards.</p> <p>There was general consensus among the majority of the members of the Technical Committee that there will be conflict of interest where the COG appoints board members, yet they have a key stake in the scheme as sponsors.</p>

2.	Administrator of the Scheme	It was agreed that clauses 18 and 19 be harmonised with clause 23 to give discretion to the Board of Trustees in the appointment of administrators and to also avoid duplication of duties.
		<p>The Technical Committee noted that making explicit provisions for a Corporate Administrator in the law is to take away the powers of the Board to appoint and remove the administrator.</p> <p>The Ministry concurs with the provision of clause 23 (1) (2) which provides that the Administrator should be appointed by the Board and should work under delegated powers of the Board.</p>
3.	Powers to Make Regulations	<p>The Technical Committee pointed out the risk of potential conflict of interest where the COG determined the regulatory framework on a matter they have a key stake in.</p> <p>The Ministry supports the delegation of power to make regulations to the Cabinet Secretary for the better carrying into effect its intended aims and purposes and as provided in Part 1 of the Fourth Schedule to the Constitution which assigns the National Government through the Cabinet Secretary the responsibility for setting uniform norms and standards on pensions that must apply to the two levels of government.</p> <p>The Ministry further notes that COG as a key stakeholder will participate in the making of the regulations as required under the Statutory Instruments Act.</p>
4.	Transition Procedure	<p>The Ministry supports the provisions of Part VI of the Bill. The part makes clear transition provisions that encompasses closed funds to the scheme, assets, liabilities, employees, suits, amongst others.</p> <p>The provisions are in line with the intent and the spirit to establish a new scheme without any encumbrances and to avoid multiplicity of schemes with overlapping mandate.</p>

<p>5. Inclusion of Laptrust (Umbrella) Scheme in the definition of existing schemes to be closed</p>	<p>There was general consensus among most members of the Technical Committee that the proposal by COG goes counter to the key principle agreed to by all stakeholders in proposals of a Technical Committee led by the defunct Transition Authority that all existing schemes for county employees are closed and a new Umbrella scheme for all county employees be established.</p> <p>The intent and spirit was to establish a new scheme without any encumbrances.</p> <p>The Ministry therefore supports clauses 57 and 58 of the Bill that have made transition clauses that encompasses closed funds to the scheme, assets, liabilities, employees, and legal suits amongst others.</p> <p>The provisions are in line with the intent and spirit to establish a new scheme without any encumbrances and to avoid multiplicity of schemes with overlapping mandate.</p>
<p>28. Nahashon Chania, Laptrust Pensioners representative, Central Kenya region, and the Treasurer of the Pensioners Sacco. They are in support of the trust. He wanted the assurance that the merging of the existing schemes will not tamper with their pensions.</p>	
<p>29. The County Pensioners Association represented by Charles Muiruri made the following representation—</p> <ul style="list-style-type: none"> (a) the Bill should not disadvantage pensioners already receiving their monthly pension from the schemes; (b) the Bill should address retired pensioners during the transition period; (c) the Bill should address representation of retired pensioners in the Board of Trustees; and (d) the Bill should clearly address the issue of how the liabilities of the closed schemes are to be settled. 	

3.0 COMMITTEE OBSERVATIONS AND RECOMENDATIONS

3.1 Committee Observations

The Committee noted that the County Governments Retirement Scheme Bill, 2018 (National Assembly Bill No. 10 of 2018) was very similar to the County Governments Retirement Scheme Bill, 2018 (Senate Bill N. 6 of 2018) which the Committee had processed and tabled a report.

3.2 Committee Recommendations

The Committee recommends that the County Governments Retirement Scheme Bill, 2018 (National Assembly Bill No. 10 of 2018) be passed with the following amendments:

1. **THAT** clause 3 of the Bill be amended by inserting the following new paragraph immediately after paragraph (e)—
 - (f) protect the benefits of the members of the Scheme.
2. **THAT** clause 4 of the Bill be amended in subclause (3) by inserting the following new paragraph immediately after paragraph (c)—
 - (ca) gratuity; and
3. **THAT** the Bill be amended by deleting clause 6 and substituting therefor the following new clause—

Board of Trustees of the Scheme. **6** (1) The management of the Scheme shall vest in a Board of Trustees of the Scheme.
(2) The Board shall consist of—
 - (a) the chairperson elected by the Trustees from among the members under paragraph (c), (d), (e) and (f);
 - (b) the Principal Secretary responsible for matters relating to finance or a representative;
 - (c) a person nominated by Council of County Governors;
 - (d) a person nominated by County Public Service Boards;
 - (e) a person nominated by County Assembly Service Boards;
 - (f) five persons nominated by most representative trade unions representing employees of county governments of whom at least two shall not be of the same gender as follows—

- (i) four persons from trade unions representing the employees within the county executive; and
 - (ii) a person from trade unions representing the employees within the county assemblies' service; and
 - (g) the chief executive officer who shall be an ex officio member and the secretary to the Board with no voting rights.
- (3) The vice-chairperson of the Board shall be elected by the Trustees from among their number.
- (4) The chairperson and vice-chairperson shall be of the opposite gender.
- (5) The Cabinet Secretary shall ensure that not more than two thirds of the members of the Board are of the same gender.
- (6) The Cabinet Secretary shall appoint the persons nominated under subsection (2) by notice in the *Gazette*.
- (7) The procedure for nomination and appointment of Trustees under subsection (2) shall be as prescribed in the regulations.
4. **THAT** clause 10 of the Bill be amended in subclause (1) by deleting the word "three" appearing immediately after the words "absence from" appearing in paragraph (e) and substituting therefor the word "two".
5. **THAT** the Bill be amended by deleting clause 16 and substituting therefor the following new clause—
- Remuneration of Trustees. **16.** The Trustees shall be paid such remuneration as the Authority may determine in accordance with the Retirement Benefits Act.
6. **THAT** clause 18 of the Bill be amended by inserting the following new subclause immediately after subclause (4)—
- (4a) The chief executive officer shall hold office for a term of three years and may be eligible for re-appointment for a further final term of three years.
7. **THAT** clause 23 of the Bill be amended in subclause (2) by deleting the word "shall" appearing immediately after the word "administrator" and substituting therefor with the word "may".
8. **THAT** clause 24 of the Bill be amended by deleting subclause (1) and substituting

therefor the following new subclause –

- (1) A member shall, so long as the member remains in the employment of a sponsor, contribute not less than twelve percent of that member's pensionable emoluments to the Scheme.
9. **THAT** clause 48 of the Bill be amended in subclause (1) by deleting the words "two years" appearing immediately after the words "imprisonment for a term not exceeding" at the end of subclause and substituting therefor the words "five years."
10. **THAT** clause 55 of the Bill be amended by inserting the following new subclauses immediately after subclause (6)—
 - (7) The Auditor General shall cause an actuarial audit and valuation to be carried out with respect to the closed schemes within six months upon the commencement of this Act to ascertain the following for the purpose of transitional management—
 - (a) assets acquired by the schemes;
 - (b) liabilities accrued by the schemes; and
 - (c) employees of the schemes.
 - (8) The Auditor General shall submit a report on the findings of the audit and valuation to the Board, the Senate and the National Assembly within three months of carrying out of the audit under subsection (7).
11. **THAT** clause 56 of the Bill be amended by deleting subclause (6) and substituting the following new subclause—
 - (6) The Retirement Benefits Authority shall, within five years from the commencement of this Act, ensure the implementation of this section.
12. Amendment of section 132 of Act No. 17 of 2012. The County Governments Act is amended by deleting section 132.
15. **FIRST SCHEDULE**

The schedule is amended in paragraph 2 by deleting subparagraphs (1) and (2) and substituting therefor the following new subparagraphs—

 - (1) The quorum of a meeting of the Board shall be five Trustees present and voting and shall include at least two Trustees appointed under section 6 (2) (b), (c), (d) or (e) and at least three Trustees appointed under section 6 (2) (f).
 - (2) For special meetings, the quorum shall be six Trustees present and voting and shall include at least three Trustees appointed under section 6 (2) (b), (c), (d) or (e) and at least four Trustees appointed under section 6 (2) (f).



23rd July, 2019

The Clerk of the Senate
Parliament Buildings

NAIROBI.

**RE: THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL, 2018
(NATIONAL ASSEMBLY BILLS NO. 10 OF 2018)**

NOTICE is given that Sen. Johnson Sakaja, the Chairperson to the Standing Committee on Labour and Social Welfare, intends to move the following amendments to the County Governments Retirement Scheme Bill, 2018, (National Assembly Bills No. 10 of 2018) at the Committee Stage—

CLAUSE 3

THAT clause 3 of the Bill be amended by inserting the following new paragraph immediately after paragraph (e)—

- (f) protect the benefits of the members of the Scheme.

CLAUSE 4

THAT clause 4 of the Bill be amended in subclause (3) by inserting the following new paragraph immediately after paragraph (c)—

- (ca) gratuity; and

CLAUSE 6

THAT the Bill be amended by deleting clause 6 and substituting therefor the following new clause—

Board of Trustees of the Scheme. **6** (1) The management of the Scheme shall vest in a Board of Trustees of the Scheme.

- (2) The Board shall consist of—

- (a) the chairperson elected by the Trustees from among the members under paragraph (c), (d), (e) and (f);
- (b) the Principal Secretary responsible for matters relating to finance or a representative;

- (c) a person nominated by Council of County Governors;
 - (d) a person nominated by County Public Service Boards;
 - (e) a person nominated by County Assembly Service Boards;
 - (f) five persons nominated by most representative trade unions representing employees of county governments of whom at least two shall not be of the same gender as follows—
 - (i) four persons from trade unions representing the employees within the county executive; and
 - (ii) a person from trade unions representing the employees within the county assemblies' service; and
 - (g) the chief executive officer who shall be an ex officio member and the secretary to the Board with no voting rights.
- (3) The vice-chairperson of the Board shall be elected by the Trustees from among their number.
- (4) The chairperson and vice-chairperson shall be of the opposite gender.
- (5) The Cabinet Secretary shall ensure that not more than two thirds of the members of the Board are of the same gender.
- (6) The Cabinet Secretary shall appoint the persons nominated under subsection (2) by notice in the *gazette*.
- (7) The procedure for nomination and appointment of Trustees under subsection (2) shall be as prescribed in the regulations.

CLAUSE 10

THAT clause 10 of the Bill be amended in subclause (1) by deleting the word “three” appearing immediately after the words “absence from” appearing in paragraph (e) and substituting therefor the word “two”.

CLAUSE 16

THAT the Bill be amended by deleting clause 16 and substituting therefor the following new clause—

16. The Trustees shall be paid such remuneration as the Authority may determine in accordance with the Retirement Benefits Act.

CLAUSE 18

THAT clause 18 of the Bill be amended by inserting the following new subclause immediately after subclause (4)—

(4a) The chief executive officer shall hold office for a term of three years and may be eligible for re-appointment for a further final term of three years.

CLAUSE 23

THAT clause 23 of the Bill be amended in subclause (2) by deleting the word "shall" appearing immediately after the word "administrator" and substituting therefor with the word "may".

CLAUSE 24

THAT clause 24 of the Bill be amended by deleting subclause (1) and substituting therefor the following new subclause –

(1) A member shall, so long as the member remains in the employment of a sponsor, contribute not less than twelve percent of that member's pensionable emoluments to the Scheme.

CLAUSE 48

THAT clause 48 of the Bill be amended in subclause (1) by deleting the words "two years" appearing immediately after the words "imprisonment for a term not exceeding" at the end of subclause and substituting therefor the words "five years."

CLAUSE 55

THAT clause 55 of the Bill be amended by inserting the following new subclauses immediately after subclause (6)—

(7) The Auditor General shall cause an actuarial audit and valuation to be carried out with respect to the closed schemes within six months upon the commencement of this Act to ascertain the following for the purpose of transitional management—

- (a) assets acquired by the schemes;
- (b) liabilities accrued by the schemes; and
- (c) employees of the schemes.

(8) The Auditor General shall submit a report on the findings of the audit and valuation to the Board, the Senate and the National Assembly within three months of carrying out of the audit under subsection (7).

CLAUSE 56

THAT clause 56 of the Bill be amended by deleting subclause (6) and substituting the following new subclause—

(6) The Retirement Benefits Authority shall, within five years from the commencement of this Act, ensure the implementation of this section.

Amendment of County Governments Act

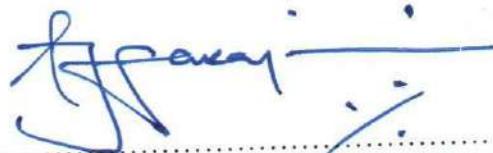
Amendment of section 132 of Act No. 17 of 2012. The County Governments Act is amended by deleting section 132.

FIRST SCHEDULE

The schedule is amended in paragraph 2 by deleting subparagraphs (1) and (2) and substituting therefor the following new subparagraphs—

(1) The quorum of a meeting of the Board shall be five Trustees present and voting and shall include at least two Trustees appointed under section 6 (2) (b), (c), (d) or (e) and at least three Trustees appointed under section 6 (2) (f).

(2) For special meetings, the quorum shall be six Trustees present and voting and shall include at least three Trustees appointed under section 6 (2) (b), (c), (d) or (e) and at least four Trustees appointed under section 6 (2) (f).



Sen. Johnson Sakaja,
Chairperson,
Committee on Labour and Social Welfare.



REPUBLIC OF KENYA

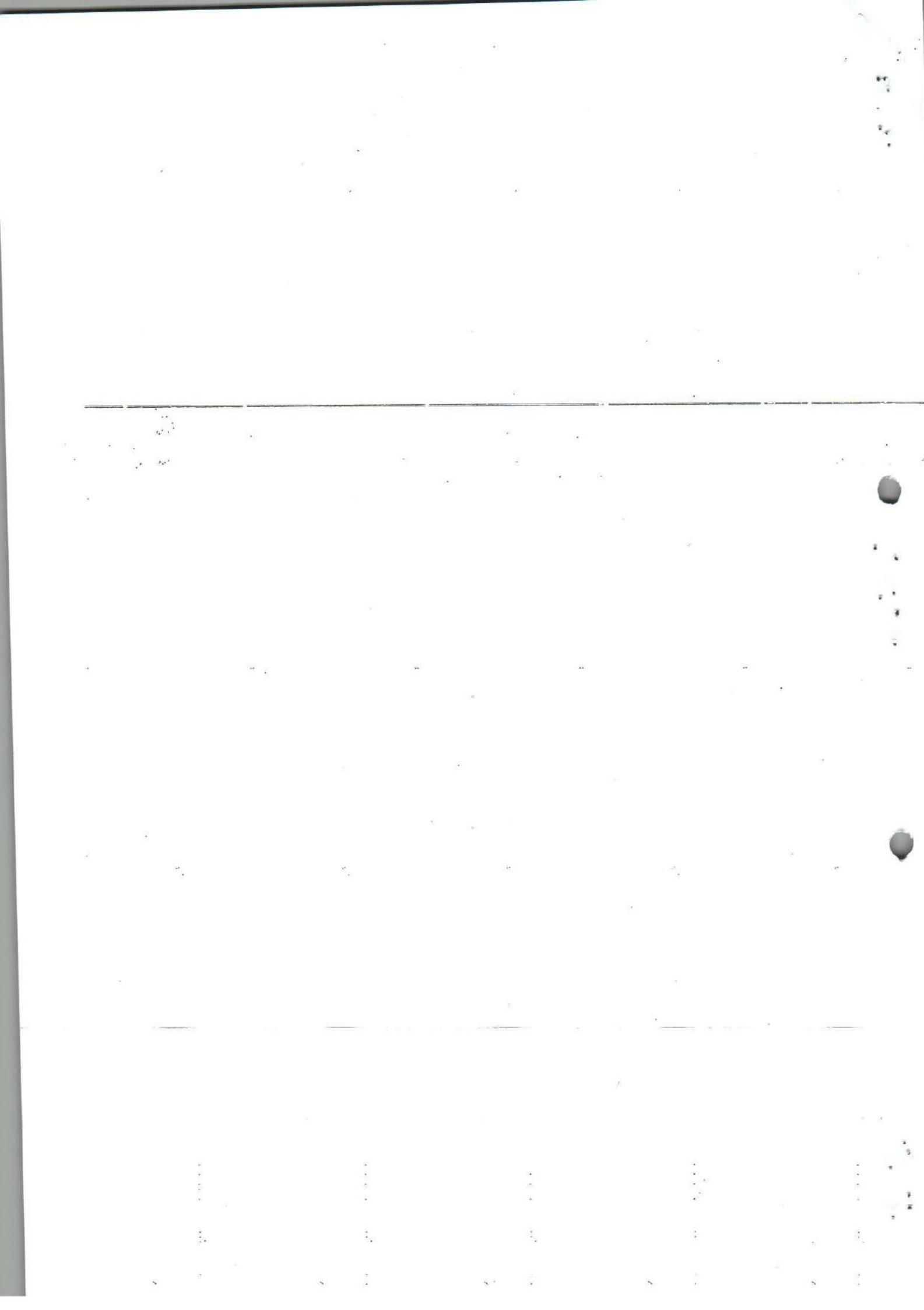
PARLIAMENT

NATIONAL ASSEMBLY BILLS
(Bill No. 10 of 2018)

THE COUNTY GOVERNMENTS
RETIREMENT SCHEME BILL, 2018

(A Bill published in the Kenya Gazette Supplement No.33 of 2018 and passed by
the National Assembly, with amendments, on October 17, 2018)

N.A. /B/No. 10/2018



THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL,
2018

ARRANGEMENT OF CLAUSES

Clause

PART I—PRELIMINARY

- 1—Short title.
- 2—Interpretation.
- 3—Objects and purpose of the Act.

PART II—ESTABLISHMENT OF THE COUNTY
GOVERNMENTS RETIREMENT SCHEME

- 4—Establishment of the County Governments Retirement Scheme.
- 5—Membership of the Scheme.
- 6—Board of Trustees of the Scheme.
- 7—Qualifications for appointment of Trustees.
- 8—Disqualification from appointment as a Trustee.
- 9—Tenure of office.
- 10—Removal from office.
- 11—Vacation of office.
- 12—Filling of vacancy.
- 13—Functions of the Board.
- 14—Powers of the Board.
- 15—Committees of the Board.
- 16—Remuneration of Trustees.
- 17—Meetings of the Board.
- 18—Chief Executive Officer of the Scheme.
- 19—Employees of the Scheme
- 20—Common seal of the Scheme.

PART III—ADMINISTRATION OF THE SCHEME

- 21—Fund manager.
- 22—Custodian of the Scheme.
- 23—Administrator.

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- 24—Contributions.
- 25—Vesting of benefits.
- 26—Withdrawal of membership or benefits.
- 27—Retirement from service.

- 28—Early retirement.
- 29—Payment of retirement benefits.
- 30—Particulars of member and dependants of the member.
- 31—Dispute on nomination.
- 32—Benefits to be paid upon the death of a member.
- 33—Death of member in service.
- 34—Presumption of death of member.
- 35—Death of member in retirement.
- 36—Prohibited payments from the Scheme.

PART IV—FINANCIAL PROVISIONS

- 37—County Governments Retirement Scheme Fund.
- 38—Sources of funds.
- 39—Reserve account.
- 40—Annual estimates.
- 41—Accounts and audit.
- 42—Financial year.
- 43—Annual distribution of profits.
- 44—Actuarial review of the Scheme.

PART V—MISCELLANEOUS PROVISIONS

- 45—Conflict with other written law.
- 46—Duty of care.
- 47—Protection from personal liability.

- 48—Offences.
- 49—Proceedings for recovery of deductions from sponsors.
- 50—General penalty.
- 51—Regulations.

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52—Repeal and revocation.

PART VI—SAVINGS AND TRANSITION

53—Extent of exemption from other statutory schemes.

54—National government employees transferred to county governments.

55—Transition of closed funds to the Scheme.

56—Local Authorities Provident Fund and the Local Authorities Pension Trust Fund.

57—New employees.

58—Date of transition.

SCHEDULE—THE CONDUCT OF BUSINESS AND AFFAIRS OF THE BOARD

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“existing scheme” means the Local Authorities Provident Fund, the Local Authorities Pension Trust, the Local Authorities Pension Trust (Defined Benefits) Scheme and the Local Authorities Pension Trust(Umbrella)Retirement Fund;

“Fund” means the County Governments Retirement Scheme Fund established under section 37;

“fund manager” means a person appointed as such under section 21;

“income drawdown” means the facility to continue to keep retirement savings invested in the scheme and take an income during a specified period rather than buy an annuity;

“insured benefit” means the death in service lump sum benefit and the disability lump sum benefit to be provided in terms of section 24;

“investment return” means a portion of the return of the investment declared by the Board and appropriated to the account of a member;

“member” means an eligible employee who has become a member of the Scheme and includes a person entitled to or receiving a benefit under the Scheme;

“member account” means an account maintained by the Scheme for an individual member;

“membership” means the fact of having been admitted as a member of the Scheme and a member’s period of membership shall for the purposes of determining the member’s entitlement to access his benefits upon resignation or termination of service be deemed to include his period of membership of other registered retirement benefits schemes in respect of which benefits have been transferred into the Scheme;

“normal retirement age” means the age as set by the Public Service Commission or any other Act of Parliament for retirement of public officers;

“pensionable emoluments” means basic salary excluding housing, transport and any other allowances or fluctuating emoluments;

“public officer” has the meaning assigned thereto in

The County Governments Retirement Scheme Bill, 2018

Article 260 of the Constitution;

“Public Service” has the meaning assigned thereto in Article 260 of the Constitution;

“Scheme” means the County Governments Retirement Scheme established under section 4;

“sponsor” means an employer or any other body who makes contributions on behalf of a member;

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

“Trustee” means a member of the Board.

3. (1) The object and purpose of the Act is to—

Objects and
purpose of the
Act.

(a) provide for the establishment of the Scheme;

(b) provide for the payment of retirement benefits to members of the Scheme when they become due;

(c) provide for the social security of members of the Scheme by ensuring that the members save in order to cater for their livelihood during their retirement;

(d) establish a uniform set of rules, regulations and standards for the administration and payment of retirement benefits for members of the Scheme; and

(e) establish transitional provisions for existing schemes.

PART II—ESTABLISHMENT OF THE COUNTY GOVERNMENTS RETIREMENT SCHEME

4. (1) There is established the County Governments Retirement Scheme.

Establishment of
the County
Governments
Retirement
Scheme.

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

(a) suing and being sued;

(b) taking, purchasing or otherwise acquiring, holding, charging and disposing of movable and immovable property;

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- (c) entering into contracts;
 - (d) borrowing and investing money; and
 - (e) doing or performing all such other things or acts as may be necessary in furtherance of its purpose and functions.
-

(3) The Scheme shall be a defined contribution scheme providing social security benefits including—

- (a) periodic payments through the purchase of annuities;
- (b) a lump sum as a commutation of pension or trivial pension in accordance with the RBA Regulations;
- (c) income drawdown;
- (d) any other benefit approved by the Board under this Act.

5. A county public officer or any other person approved by the Board may become a member of the Scheme under the auspices of a sponsor.

Membership of the Scheme.

6. (1) The management of the Scheme shall be vested in a Board of Trustees of the Scheme.

Board of Trustees of the Scheme.

(2) The Board shall consist of the following members—

- (a) the chairperson appointed by the Cabinet Secretary from amongst the Trustees appointed under paragraph (d), (e), (f) and (g);
- (b) the Principal Secretary responsible for matters relating to finance or his representative;
- (c) the Principal Secretary responsible for matters relating to devolution or his representative;
- (d) a representative of the Council of County Governors;
- (e) a representative of the County Public Service Boards;
- (f) three representatives of the County Assembly Service Boards, one of whom shall be of the opposite gender;
- (g) two persons nominated by the trade unions

The County Governments Retirement Scheme Bill, 2018

representing county public servants boards, one of whom shall be of the opposite gender; and

- (h) the chief executive officer appointed under section 18, who shall be the secretary.

(2) The Council of Governors shall convene a meeting of the representatives of the respective nominating bodies for the purpose of nominating the representatives under 2(e) and (g).

(3) The Speaker of the Senate shall convene a meeting of the County Assembly Service Boards for the purpose of nominating the representatives under subsection 2(f).

(4) The vice-chairperson of the Board shall be elected by the Trustees from among their number.

(5) The Cabinet Secretary shall ensure that not more than two-thirds of the members of the Board are of the same gender.

(6) The appointment of Trustees under subsection (2) shall be made by the Cabinet Secretary by notice in the Gazette.

(7) The procedure for nomination and appointment of Trustees under subsection (2) shall be as prescribed in the regulations.

7. A person is qualified for appointment as a Trustee if that person—

Qualifications for appointment of Trustees.

- (a) is a citizen of Kenya;
- (b) holds a degree from a university recognized in Kenya;
- (c) has at least five years experience in—
 - (i) finance;
 - (ii) law;
 - (iii) economics;
 - (iv) actuarial science; or
 - (v) any other profession or work experience directly relevant to the functions of the Board; and
- (d) meets the requirements of leadership and integrity

The County Governments Retirement Scheme Bill, 2018

set out in Chapter Six of the Constitution.

8. A person shall not be appointed as a Trustee if that person—

Disqualification
from appointment
as a Trustee.

(a) has been convicted of a criminal offence, and
sentence to imprisonment for a term of six months
or more;

(b) is an adjudged bankrupt or enters into a composition or arrangement with creditors; or

(c) is disqualified under the provisions of any other written law from appointment as such.

9. (1) A Trustee shall hold office for a term of three years and may be eligible for re-appointment for a further and final term of three years.

Tenure of office.

(2) Where a Trustee opts to apply for re-appointment under subsection (1), the re-appointment may be considered based on the performance of the applicant.

(3) The Board shall put in place arrangements to ensure that one-third of the Trustees are appointed in a staggered manner.

10. (1) A Trustee may be removed from office by the Cabinet Secretary for—

Removal from
office.

(a) inability to perform the functions of the office arising out of physical or mental incapacity;

(b) gross misconduct or misbehaviour;

(c) incompetence or negligence of duty;

(d) bankruptcy;

(e) absence from three consecutive meetings of the Board without a reasonable explanation; and

(f) failure to meet the requirements of leadership and integrity set out in chapter six of the Constitution.

(2) Before a Trustee is removed from office under subsection (1), the Trustee shall be given an opportunity to be heard against the intended removal.

(3) Notwithstanding subsection (1), the Authority may remove a Trustee on grounds specified in the Retirement Benefits Act, 1997.

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11. A person ceases to be a Trustee if the person— Vacation of office.

- (a) resigns in writing to the Cabinet Secretary;
- (b) is convicted of a criminal offence and sentenced to a term of imprisonment of six months or more;
- (c) is declared bankrupt or enters into composition with his or her creditors;
- (d) is unable to perform the functions of their office by reason of mental or physical infirmity;
- (e) is removed in accordance with section 10; or
- (f) dies.

12. Where a vacancy occurs in the membership of the Board under section 10 or 11, the Cabinet Secretary shall appoint a new Trustee in accordance with the provisions of this Act. Filling of vacancy.

13. The Board shall—

- (a) formulate policies relating to the Scheme in accordance with the provisions of the Retirement Benefits Act, 1997; Functions of the Board.
- (b) collect contributions and income payable to the Fund under this Act;
- (c) pay out the various benefits to persons entitled to the benefits as provided under the Act;
- (d) protect the Fund's assets and ensure long term viability of the Scheme;
- (e) ensure efficient management of the Scheme;
- (f) ensure prudent investment of the monies forming part of the Fund;
- (g) negotiate competitive annuity rates on behalf of members;
- (h) ensure that the Scheme observes high standards of corporate and business ethics;
- (i) advise the Cabinet Secretary on any matter relating to the objects and functions of the Board under this Act; and
- (j) perform any other functions assigned to it under this Act.

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14. (1) In the exercise of its functions, the Board shall be accountable to the sponsors and the members of the Scheme.

Powers of the Board.

(2) The Board shall have all powers necessary for the proper performance of the functions of the Scheme under this Act.

(3) Without prejudice to the generality of subsection (2), the Board shall have power to—

- (a) supervise the assets of the Scheme in such manner as best promotes the purpose for which the Scheme is established;
- (b) appoint a custodian, fund manager and administrator to carry out their functions as specified in the Retirement Benefits Act, 1997;
- (c) determine the provisions to be made for administrative expenses as provided for under section 38 and for reserves of the Fund as provided for under section 39;
- (d) ensure protection, where necessary, of the assets of the Scheme;
- (e) associate with any other institution so as to further the purpose for which the Scheme is established;
- (f) receive grants, gifts, donations or endowments and make legitimate disbursements from them;
- (g) enforce remittance of outstanding Contributions by a sponsor;
- (h) invest any monies of the Scheme not immediately required for its purposes;
- (i) delegate any of its powers; and
- (j) undertake any activity necessary for the fulfilment of any of the functions of the Scheme.

(4) The Board may, subject to such conditions as it may consider necessary, by directions in writing, delegate any of its powers to any one or more of the Trustees or to the chief executive officer or employees of the Scheme.

15. (1) The Board may establish committees consisting of the Trustees for the better carrying out of its functions.

Committees of the Board.

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(2) The Board may co-opt persons to committees established under subsection (1) for a particular reason and such persons shall hold office for such period as the Board may determine.

(3) The persons co-opted into a committee under subsection (2) shall not be more than three.

(4) Subject to any specific or general direction of the Board, a committee established under subsection (1) may regulate its own procedure.

16. The Trustees shall be paid such remuneration as the Board may from time to time determine in consultation with the Salaries and Remuneration Commission. Remuneration of Trustees.

17. (1) The business and affairs of the Board shall be conducted in accordance with the Schedule. Meetings of the Board.

(2) Except as provided in the Schedule, the Board may regulate its own procedures subject to compliance with the Retirement Benefits Act and the regulations thereunder.

(3) The Board may invite any person to attend any of its meetings and to participate in its deliberations, but such person shall not have a vote in any of its decisions.

18. (1) There shall be a chief executive officer of the scheme who shall be appointed by the Board through a competitive recruitment process on such terms and conditions as may be specified in the instrument of appointment. Chief executive officer of the Scheme.

(2) The chief executive officer shall be an *ex-officio* member of the Board.

(3) A person is qualified for appointment as the chief executive officer if that person—

- (a) is a citizen of Kenya;
- (b) holds a degree from a university recognized in Kenya;
- (c) has at least ten years of experience of which five years should be at senior management level in a profession relevant to the functions of the Scheme as may be defined in the Regulations; and
- (d) meets the requirements of leadership and integrity set out in Chapter Six of the Constitution.

(4) The Chief Executive Officer shall be the

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accounting officer of the Scheme and secretary to the Board and, subject to the direction of the Board, shall be responsible for the—

- (a) implementation of the decisions of the Board;
 - ~~(b) day to day management of the affairs of the Scheme;~~
 - (c) management and discipline of the employees of the Scheme; and
 - (d) any other function that may be assigned by the Board.
- (5) The Chief Executive Officer may be removed from office by the Board such grounds as may be set out in the instrument of appointment.

(6) Before the Chief Executive Officer is removed from office under subsection (5), the Chief Executive Officer shall be given—

- (a) sufficient notice of the allegations made against him or her; and
- (b) an opportunity to be heard either in person or by a legal representative.

19. (1) The Board may engage such other employees as it may consider necessary for the performance of its functions under this Act. Employees of the Scheme.

(2) The terms and conditions of service of employees of the Scheme shall be determined by the Board.

20. (1) The common seal of the Scheme shall be kept in such custody as the Board may direct and shall not be used except on the order of the Board. Common seal of the Scheme.

(2) The common seal of the Scheme when affixed to a document and authenticated shall be officially noticed, and unless the contrary is proved, an order or authorization of the Board under this section shall be presumed to have been given.

PART III—ADMINISTRATION OF THE SCHEME

21. The Board shall appoint a fund manager of the Scheme who shall, in addition to the duties prescribed under the Retirement Benefits Act— Fund manager.

- (a) implement the investment policy of the Scheme as approved by the Board;

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- (b) manage the Scheme funds and assets in accordance with the provisions of the Retirement Benefits Act;
- (c) maintain books of accounts on all investment transactions relating to the Scheme;
- (d) provide regular information on investment strategy, market returns and other performance indicators to the Board; and
- (e) perform any other function that may be assigned in the instrument of appointment and other written law.

22. (1) The Board shall appoint a custodian of the Scheme who shall, in addition to the duties prescribed under the Retirement Benefits Act –

Custodian of the Scheme.

- (a) receive the contributions remitted by the sponsors and members under this Act on behalf of the Board;
 - (b) not later than the next business day following receipt of the contributions from a sponsor, notify the fund manager and the administrator of such receipt;
 - (c) receive and keep in safe custody the title documents, securities and monies of the Scheme in trust for the members and beneficiaries;
 - (d) collect dividends for the Scheme;
 - (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 funds in its custody and provide data and information to the administrator and the Board;
 - (g) execute, on behalf of the Board, the relevant proxy for the purpose of voting in relation to the investments; and
 - (h) perform any other function that may be assigned in the instrument of appointment or any other written law.
- (2) The custodian shall maintain all funds and assets

Capt

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in its custody to the order of the Board and shall not utilise any pension fund or assets in its custody to meet its own financial obligation.

23. (1) The Scheme shall be administered by an Administrator. administrator appointed by the Board.

(2) The administrator shall be an employee of the Board.

(3) The functions of the administrator shall be to—

- (a) open and maintain an account for each member;
- (b) upon receiving details of the contributions remitted under this Act, cause the amount of the contributions to be credited in the account of the member in respect of whom the sponsor has made the payment;
- (c) inform the Board if a member's contribution details differ from the expected;
- (d) provide customer support services to members, including access to members' account balances and statements;
- (e) cause to be paid retirement benefits to a member who has retired;
- (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.

(4) 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 as may be approved by the Board.

24. (1) Every member shall, so long as he or she Contributions. remains in the employment of a sponsor, contribute not less than seven and a half per cent of his or her pensionable emoluments to the Scheme.

(2) Every sponsor shall contribute to the Scheme fifteen per cent of the pensionable emoluments of every employee who is a member of the Scheme plus the amounts necessary

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to cover the premiums for insured benefit.

(3) Subject to such guidelines as the Board may issue, in consultation with the members and sponsors of the Scheme, a member of the Scheme may make additional contributions to the Scheme.

(4) In addition to the contributions specified in subsections (1) and (2), the sponsor 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 three times of the member's annual pensionable emoluments.

(5) Upon commencement of this Act, contributions required to be made under subsections (1) and (3) shall be deducted by a sponsor from the salary of the contributor on each occasion on which the salary is paid and shall be paid into the Scheme together with the sponsor's contribution before the 10th day of every calendar month or before any other day which may be notified in writing and approved by the Authority.

(6) Any contributions not paid to the Scheme by a sponsor within ten days after the last day of the calendar month to which the contributions relate shall attract interest during the period they remain unpaid at a rate specified by the Board from time to time provided that such rate shall not be less than the rate specified in the Retirement Benefits Act and Regulations.

(7) All unpaid contributions and interest thereon shall constitute a civil debt of the respective sponsor and shall be recoverable summarily by the Board as provided for by law.

(8) The Board shall report to the Authority at such intervals as specified by the Authority, all remittances of contributions outstanding and not received after the deadlines specified herein.

25. All the benefits derived from contributions by a member and a sponsor shall vest immediately in the member.

Vesting of
benefits.

26. (1) A member shall not withdraw membership or retirement benefit from the Scheme while the member is in the employment of a Sponsor.

Withdrawal of
membership or
benefits.

(2) A member may withdraw benefits from their

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account before normal retirement age in the following circumstances—

- (a) resignation;
- (b) dismissal;
- (c) ill health;
- (d) emigration.

(3) Despite subsection (1)—

- (a) where a member leaves employment before one year of membership, the member may opt for payment of his own and the whole of the sponsor's contributions, together with allocated investment income;
- (b) where a member leaves employment after one year of membership but before attaining the specified early retirement age, the member may opt for payment of—
 - (i) his or her own contribution and the sponsor's contribution as may be prescribed by the Retirement Benefits Authority and the investment income that has accrued in respect of those contributions; and
 - (ii) the balance shall be retained in the Scheme and continue to accrue interest until the member attains early retirement age, or transferred to another registered Scheme of the members choice;
- (c) a member may opt for payment to him or her of the total amount of vested accrued benefits before attaining the early retirement age—
 - (i) on grounds of ill health or subsequently during deferment, if the member becomes incapacitated due to ill health, to the extent that it would occasion his or her retirement, if he or she was in employment; or
 - (ii) if the member has emigrated from Kenya to another country without the intention of returning to reside in Kenya and the Board has approved the payment of the retirement benefits and submitted, fourteen days prior to

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payment of the benefits, the approval to the Authority.

27. (1) Despite any other provisions in this Act, a member who retires is entitled to make withdrawals—
Retirement from service.

- (a) on attaining the normal retirement age, or where their exact date of birth is not known, on the 1st July in the year in which the Board deems that they have reached normal retirement age;
 - (b) on the advice of a qualified medical practitioner appointed by the Board certifying that the member is no longer mentally or physically capable of carrying out the functions of their office.
- (2) The proof of age of a retiring member for the purposes of subsection (1) is the date of birth in any of the following documents—
- (a) birth certificate;
 - (b) national identification card; or
 - (c) a valid passport.

28. (1) Notwithstanding the provisions of section 27, any member who retires on attaining the early retirement age is entitled to make withdrawals in accordance with section 29.
Early retirement.

(2) The proof of age of a retiring member for the purposes of subsection (1) is the date of birth in any of the following documents—

- (a) birth certificate;
- (b) national identification card; or
- (c) a valid passport.

29. (1) Where a member retires as provided in this Act, the member may request the Board in writing to pay to him or her—
Payment of retirement benefits.

- (a) a lump sum from the balance in his or her retirement savings account that shall not exceed the equivalent of one-third of that balance:

Provided that a Member may withdraw any additional voluntary contributions made into the

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- Scheme and accrued interest in full;
- (b) monthly or quarterly income drawdown in accordance with a formula prescribed by the Board on the advice of an actuary;
- (c) monthly or quarterly annuity for life purchased from an approved issuer of their choice:

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

(2) Despite the provisions of any other written law, a benefit granted under this Act shall not be—

- (a) assignable or transferable except in accordance with the terms of a mortgage guarantee facility approved by the Board; and
- (b) liable to be attached in settlement of any claim.

(3) The payment of a retirement benefits shall commence from the end of the month immediately following the month of the retirement of the member.

(4) Every payment of benefits from the Scheme may be subject to deduction of the amount outstanding due by the member under any mortgage guarantee facility approved by the Board.

30. (1) Every member shall provide his or her particulars and those of his or her dependants to the administrator in the prescribed manner.

Particulars of member and dependants of the member.

(2) A member may update the particulars provided under subsection (1) at any time and, in any event, at least three years before retirement.

31. (1) If a dispute relating to a nomination under this Part arises, the Board has power to consider evidence presented and determine the rightful dependant.

Dispute on nomination.

(2) Nothing in this Part may be construed as limiting or otherwise affecting the inherent power of the Board, either on its own motion or on the application of a party, to make such decisions as may be necessary.

32. If upon the death of a member, benefits are paid to a person validly nominated under this Part, no other person

Benefits to be paid upon the death of a member.

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shall have any other claim to the benefits against the Fund.

33. (1) Upon the death of a member, the benefits accrued to the member shall be paid to the person whose particulars the Member had provided or at the Board's discretion as otherwise provided in the Retirement Benefits Act and Regulations thereunder.

Death of a member in service.

(2) In the absence of a nomination, the Board shall apply the benefits referred to in subsection (1) to such dependants of the deceased and in such amounts as the Board shall determine.

(3) Where a dispute arises under this section, the Board shall consider any evidence presented before it and determine the rightful beneficiary.

34. (1) Where a member is missing and it is proved that the member has not been heard of for such period as prescribed by the law relating to presumption of death by those who might be expected to have heard of the member if that member was alive, there shall be a rebuttable presumption that the member is dead as provided under the law.

Presumption of death of member.

(2) Where a person is presumed dead under this section, the provisions of section 33 apply.

35. (1) If a member who was receiving a retirement benefit under an income drawdown dies, a benefit that is equivalent to the unutilized balance of the account of the member shall be paid to the nominated beneficiaries of the member.

Death of member in retirement.

(2) The payment under subsection (1) shall be made to the beneficiaries either as a lump sum or as an annuity commencing from the day following the death of the member.

36. The retirement benefits under this Act shall not be paid by the Scheme to—

Prohibited payments from the Scheme.

- (a) a member, while the member is still in the employment of a Sponsor except where a member works on a contractual basis for the Sponsor after their resignation or early retirement; or
- (b) any person as a loan, advance or other similar benefit or payment except as provided under this

Act.

PART IV—FINANCIAL PROVISIONS

37. There is established a Fund to be known as the County Governments Retirement Scheme Fund which shall be administered by the Board in accordance with this Act and other relevant written laws.

County
Governments
Retirement
Scheme Fund

38. (1) The Fund shall consist of—

Sources of funds.

- (a) monies as may vest in or accrue to the Scheme in the performance of its functions under this Act or under any other written law;
- (b) contributions from sponsors and members;
- (c) grants, gifts, donations or other endowments given to the Scheme;
- (d) income from investments made by the Scheme that are approved by the Board;
- (e) fees and charges authorized by the Board;
- (f) monies earned by the Scheme from any other source; and
- (g) monies from any other source provided or donated or lent to the Scheme.

(2) There shall be paid out of the Fund—

- (a) all benefits provided for under this Act;
- (b) the expenses incurred in the management and administration of the Scheme subject to the limits provided under this section.

(3) For the avoidance of doubt, nothing in this Act is intended to or may be construed as providing for or dealing with—

- (a) taxes;
- (b) the imposition of charges on a public fund or the variation or repeal of any of those charges;
- (c) the appropriation, receipt, custody, investment or issue of public money;
- (d) the raising or guaranteeing of any loan or its repayment except as provided in any written law; or

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(e) matters incidental to any of those matters.

(4) The Board shall establish an account into which may be paid—

- (a) the monies transferred from the Fund for the trust expenses incurred by the Board in the exercise of its powers or the performance of its functions under this Act;
- (b) the annual administrative expenses deducted from the value of the Fund at the rate approved from time to time by the Board but subject to a maximum of one and half percent of the Fund value or any such rate as the Board in consultation with the Authority may prescribe;
- (c) monies that may 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 established under this section; and
- (e) all monies from any other source provided for or donated or lent to the Board.

(5) Any unspent monies budgeted for annual administrative expenses shall lapse back into the Fund at the end of the financial year.

(6) The Board may invest any surplus monies held in the account established under this Act in asset classes approved under the Retirement Benefits Act.

39. (1) The Board may maintain a reserve account of the Scheme into which the following shall be deposited—

- (a) any special contribution paid into the Scheme by a sponsor or the Government for the purpose of improving the benefits of the members; and
- (b) any income of the Scheme that the Board determines should be set aside to stabilize the returns to members subject to a maximum of ten per cent of such income with consideration to the Income Tax Act or regulations made thereunder. Cap. 470

(2) Money shall not be drawn out of the reserve account except as directed by the Board for the purposes

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provided for under subsection (1).

(3) Any monies determined to be income of the reserve account shall be treated as income forming part of the general income of the Scheme.

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

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

- (a) payment of the salaries, allowances, and other charges in respect of the employee of the Scheme;
- (b) payment of benefits and other charges which are payable out of the funds of the Scheme;
- (c) funding of the registration, monitoring and evaluation activities of the Scheme;
- (d) maintenance of the buildings and grounds of the Scheme;
- (e) funding of training, research and development of activities of the Scheme;
- (f) reserve funds to meet future or contingent liabilities in relation to retirement benefits, insurance or replacement of buildings or equipment; and
- (g) such other matters as the Board may consider necessary.

(3) The annual estimates shall be approved by the Board before the commencement of the financial year to which they relate.

(4) Expenditure of the Scheme shall not be incurred except in accordance with the annual estimates approved by the Board.

41. (1) The Board shall cause to be kept proper books and records of accounts of the income, expenditure, assets and liabilities.

Accounts and audit.

(2) Within a period of three months after the end of each financial year, the Board shall submit to an auditor

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who is recognized and approved by the Authority the accounts of the Scheme in respect of that year together with—

- (a) balance sheet showing in detail the assets and liabilities of the Scheme as at the end of the financial year.
- (b) a statement of the income and expenditure of the Scheme during that year; and
- (c) such other statements as may be required by the Authority.

(3) The annual accounts of the Scheme shall be prepared, audited and reported upon in accordance with the Retirement Benefit Act and other relevant laws.

42. The financial year of the Scheme shall be the period of twelve months ending on the thirtieth June in each year. Financial year.

43. The annual investment income earned by the Scheme shall after deduction of all expenses and costs properly paid out of the Scheme and any appropriation to a reserve account approved by the Board be credited to members' accounts on a pro-rata basis.

Annual distribution of profits.

44. (1) The Scheme may be reviewed by an actuary appointed by the Board as provided for in the Retirement Benefits Act and Regulations or as deemed necessary by the Board. Actuarial review of the Scheme.

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

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

(3) The actuary shall submit the report prepared under subsection (2) to the Board within the stipulated time in the instrument of appointment.

(4) The Board shall, within six months of the receipt of such report, consider any recommendations made by the Actuary and in so doing, may take any action recommended by the actuary.

PART V—MISCELLANEOUS PROVISIONS

45. Where there is a conflict between the provisions Conflict with other written law.

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of this Act and the provisions of the Retirement Benefits Act, the provisions of the Retirement Benefits Act shall prevail.

46. (1) The Board shall—

Duty of care.

- (a) ensure that the Scheme is at all times managed in accordance with the provisions of this Act, the Retirement Benefits Act and any other applicable law; and
- (b) take reasonable care to ensure that the management of the Scheme or safe keeping of the assets of the Scheme is carried out in the best interests of the members of the Scheme.

(2) The administrator, fund manager and custodian shall—

- (a) report to the Board and the Authority, as soon as reasonably practicable, any unusual occurrence with respect to the Scheme which in their view could adversely affect the rights of the owner of a member's account under the Scheme; and
- (b) report to the Board and the Authority, as soon as is reasonably practicable, if a sponsor has not remitted the required contribution and such remittance remains due for more than ten days.

47. No action or omission by any member of the Board, or employee of the Scheme shall, if the act was done in good faith for the purpose of carrying out the provisions of this Act or any other law, subject the person to any liability, action, claim or demand.

Protection from personal liability.

48. (1) A person who—

Offences.

- (a) wilfully fails to remit contributions to the Scheme as required;
- (b) knowingly gives false information to the Scheme; or
- (c) being a Trustee or employee of the Scheme, wilfully misappropriates the assets of the Scheme,

commits an offence and is liable on conviction to a fine not

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exceeding five million shillings or to imprisonment for a term not exceeding two years or to both.

(2) Where an offence under this section is committed by a body corporate, every person who at the time of the commission of the offence was—

- (a) a director, general manager, secretary of the company or other similar officer of the body corporate; or
- (b) purporting to act in any such capacity as provided in paragraph (a),

commits that offence.

49. (1) Notwithstanding the provision of section 26, where a sponsor, having made deduction from a member's emoluments for remittance to the Scheme, fails to remit the contribution within fifteen days of the deduction, the Scheme shall, after giving such sponsor not less than seven days' notice, institute proceedings for the recovery of the deduction.

Proceedings for
recovery of
deductions from
sponsors.

(2) A notice under subsection (1) shall be in writing and copied to the Authority, and shall—

- (a) require the sponsor to pay the sum deducted to the Scheme within seven days of the notice; and
- (b) inform the sponsor that if he fails to pay such sum before the expiration of the notice, proceedings for summary recovery of the sum shall be filed in court without further reference to him.

(3) Any sum which is the subject of proceedings of summary recovery under this section shall attract a compound interest at the rate of three per cent per month.

(4) Without prejudice to any proceedings instituted under the provisions of this section, a person who refuses or fails to comply with a notice given to him or her under subsection (1) commits an offence and shall be liable on conviction to a fine not exceeding five million shillings, or in the case of a natural person, to imprisonment for a term not exceeding two years, or to both.

(5) Where an offence under subsection (4) is a continuing offence, the person convicted shall, in addition to the penalty prescribed in that subsection be liable to a further fine of one thousand shillings for every day or part

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thereof during which the offence continues.

50. A person who—

General penalty.

- (a) contravenes any provision of this Act which is expressly stated to be an offence but for which no other penalty is prescribed; or
- (b) fails to comply with any direction given by the Authority,

commits an offence and is liable, on conviction, to a fine not exceeding one hundred thousand shillings, or to imprisonment for a term not exceeding one year, or to both.

51. The Cabinet Secretary may, in consultation with the Board, make regulations generally for the better carrying into effect the provisions of this Act.

Regulations.

52. (1) The Local Authorities Provident Fund Act is repealed.

Repeal and revocation.
Cap. 272.

(2) The Local Authorities Pensions Trust Rules, 2007 are revoked.

L.N. 50 of 2007.

(3) The Laptrust (Umbrella) Retirement Fund Trust Deed and Rules registered under the Retirement Benefits Act are revoked.

PART VI—SAVINGS AND TRANSITION

53. The sponsors and members of the Scheme may be exempt from making Tier 11 contributions to the National Social Security Fund.

Extent of exemption from other statutory schemes.

54. (1) Eligible employees to whom this Act applies and who, prior to the commencement date, were members of a contributory pension scheme may, subject to the Regulations made by the Cabinet Secretary, transfer any such contributions to the Fund.

National government employees transferred to county governments.

(2) Eligible employees to whom this Act applies and who join a sponsor on or after the commencement date and were members of a contributory pension scheme may, subject to the Regulations made by the Cabinet Secretary, transfer any such contributions to the Fund.

(3) A person who, at the commencement date, is an employee of the national government and whose remaining period of service is five years or less, is not eligible to join the Scheme and shall have his or her

Cap. 189
Cap. 195

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pension paid out under the provisions of the Pensions Act and the Widows and Children Pensions Act or any other relevant legislation.

(4) A person who was an employee of a local authority and was a member of the Local Authorities Pensions Trust and whose remaining period of service is five years or less, is not eligible to join the Scheme and shall have his or her pension paid in accordance with the provisions of the Local Authorities Pensions Trust Rules, 2007 or any other relevant legislation.

L.N. 50 of 2007

Cap 189
Cap. 195

(5) Eligible employees to whom this Act applies and who, prior to the commencement date, were employees of the national government shall have their Pension paid out under the Pensions Act and the Widows and Children Pensions Act, for the period they served in the national government.

(6) Eligible employees to whom this Act applies and who prior to its commencement date were employee of the local authorities and who are eligible for benefits under a defined benefits scheme shall have their prior pension benefits paid out of the closed funds, as the case may be, for the period they served the local authorities.

55. (1) The members of the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Fund shall be transitioned into the Scheme.^{Transition of closed-funds to the Scheme.}

(2) The funds, assets and other property, movable and immovable which immediately before the commencement date were held by or on behalf of the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Fund shall vest in the Scheme.

(3) All the records of the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Fund shall be transferred to the Scheme administrator.

(4) All rights, liabilities and duties whether arising under any written law or otherwise, which immediately before the commencement date were accruing, imposed or enforceable by or against the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Fund shall vest in, be imposed on, or be enforceable against the

Scheme.

(5) Any suit or legal proceedings by or against the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Fund shall continue as if they were instituted by the Scheme or against and no such suit, action or legal proceedings shall abate or be terminated by the virtue of the transition of the schemes.

(6) Subject to section 40, the annual estimates approved for the Local Authorities Provident Fund and the Laptrust (Umbrella) Retirement Fund for the financial year in which this Act comes into operation shall be considered to be the annual estimates of the Scheme for the remainder of that financial year but those estimates may be varied by the Cabinet Secretary.

56. (1) An eligible employee of a sponsor who, immediately before the commencement date was a member of the Local Authorities Provident Fund or the Local Authorities Pensions Trust Fund shall, upon the commencement of this Act, be deemed to be a member of the Scheme.

Local Authorities
Provident Fund
and the Local
Authorities
Pensions Trust
Fund.

(2) The Local Authorities Provident Fund, the Local Authorities Pension Trust, the Local Authorities Pension Trust (Defined Benefits) Scheme and the Local Authorities Pension Trust (Umbrella) Retirement Fund shall, on the commencement date remain closed Funds to new entrants and shall ensure the preservation of all accrued rights of members.

(3) Subject to subsection (2), the closed funds shall continue paying any pensions and benefits as and when they fall due for a maximum period of five years from the commencement date.

(4) The provisions of section 55 shall apply to any pension and benefits which shall not have been paid out of the closed Funds at the end of the fifth year from the date

The County Governments Retirement Scheme Bill, 2018

of commencement date.

(5) The staff of the existing schemes engaged in the administration of the existing schemes shall, upon the commencement of this Act, and subject to any suitability test conducted by the Board of Trustees, provide administration services to the Scheme and the existing schemes.

(6) The State Corporation Advisory committee shall, with five years from the commencement of this Act, ensure the implementation of this section.

57. (1) Subject to section 54 any eligible employee who joined the service of a sponsor on permanent and pensionable terms after the first general elections under the Constitution shall be deemed to be a member of the Scheme with effect from the date of employment.

New employees.

(2) Eligible employees of a Sponsor who are employed on contractual terms may opt, upon agreement with the Sponsor, to join the Scheme in lieu of gratuity for the duration of their contract term provided that the extent of contribution in such case shall be in line with section 24 of this Act.

58. The provisions of sections 52 and 55 shall come into effect at the end of five years from the commencement date.

Date of transition.

SCHEDULE (s.17)

**THE CONDUCT OF BUSINESS AND
AFFAIRS OF THE BOARD**

1. (1) The Board shall hold at least four meetings in Meetings.
~~every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting.~~

(2) Meetings shall be convened by the Secretary of the Board in consultation with the Chairperson and shall be held at such times and such places as the Chairperson shall determine.

(3) The chairperson shall preside over all meetings and in the absence of the chairperson, the vice-chairperson, or in the absence of the vice-chairperson, a Trustee elected by the Board at the meeting for that purpose, shall preside over the meeting.

(4) The chairperson may at any time convene a special meeting of the Board, and shall do so within seven days of the receipt by the chairperson of a written request signed by at least five other Trustees.

(5) Unless six Trustees otherwise agree, at least seven days' notice of a meeting shall be given to every trustee.

2. (1) The quorum of a meeting of the Board shall be Quorum.
five trustees present and voting provided that at least two trustees appointed under section 6 (2) (d), (e) or (f) and at least one trustee appointed under section 6 (2) (g) are present.

(2) For special meetings, the quorum shall be six trustees present and voting provided that at least two trustees appointed under section 6(2) (d),(e) or (f) and at least one trustee appointed under section 6 (2) (g) are present.

3. A decision of the Board shall be by a majority of Voting.
the Trustees present and voting and, in the case of a tie of votes, the person presiding at the meeting shall have a second or casting vote.

4. Minutes of all meetings shall be kept and entered in Minutes.
records kept for that purpose.

The County Governments Retirement Scheme Bill, 2018

5. (1) If a person is present at a meeting of the Board or any committee at which any matter is the subject of consideration and in which matter that person is directly or indirectly interested in a private capacity, that person shall as soon as is practicable after the commencement of the meeting, declare such interest.
- (2) The person making the disclosure of interest under subsection (1) shall not, unless the Board or committee otherwise directs, take part in any consideration or discussion of, or vote on any question touching on the matter.
- (3) A disclosure of interest made under subsection (1) shall be recorded in the minutes of the meeting at which it is made.
- (4) A person who contravenes subsection (1) commits an offence and upon conviction is liable to a fine not exceeding five hundred thousand shillings or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.
- (5) A trustee or employee of the Scheme shall not transact any business or trade with the Scheme.

Disclosure of
interest.

The County Governments Retirement Scheme Bill, 2018

I certify that this printed impression is a true copy of the Bill passed by
the National Assembly on the 17th October, 2018



Clerk of the National Assembly

Endorsed for presentation to the Senate in accordance with the
provisions of Standing Order 142 of the National Assembly Standing
Orders.



Speaker of the National Assembly

REPUBLIC OF KENYA



**True beauty
is found on
the inside**

We'll seek to bring out
the best of our national
beauty, bringing you in,
on where you can help us
preserve our national Gems!

The County Governments' Retirement Scheme Bill (National Assembly Bills No.10 of 2018) was read a First Time in the Senate on Tuesday, 13th November, 2018 and was thereafter committed to the Senate Standing Committee on Labour and Social Welfare for consideration.

Pursuant to the provisions of Article 118(1) (b) of the Constitution and standing order 140 of the Senate Standing Orders, the Senate Standing Committee on Labour and Social Welfare, due to the interest that the Bill has generated, invites interested members of the public and stakeholders who were not able to participate in the previous public participation sessions to an additional and final session to submit their views on the Bill. The views may be submitted through submission of written memoranda in the following manner -

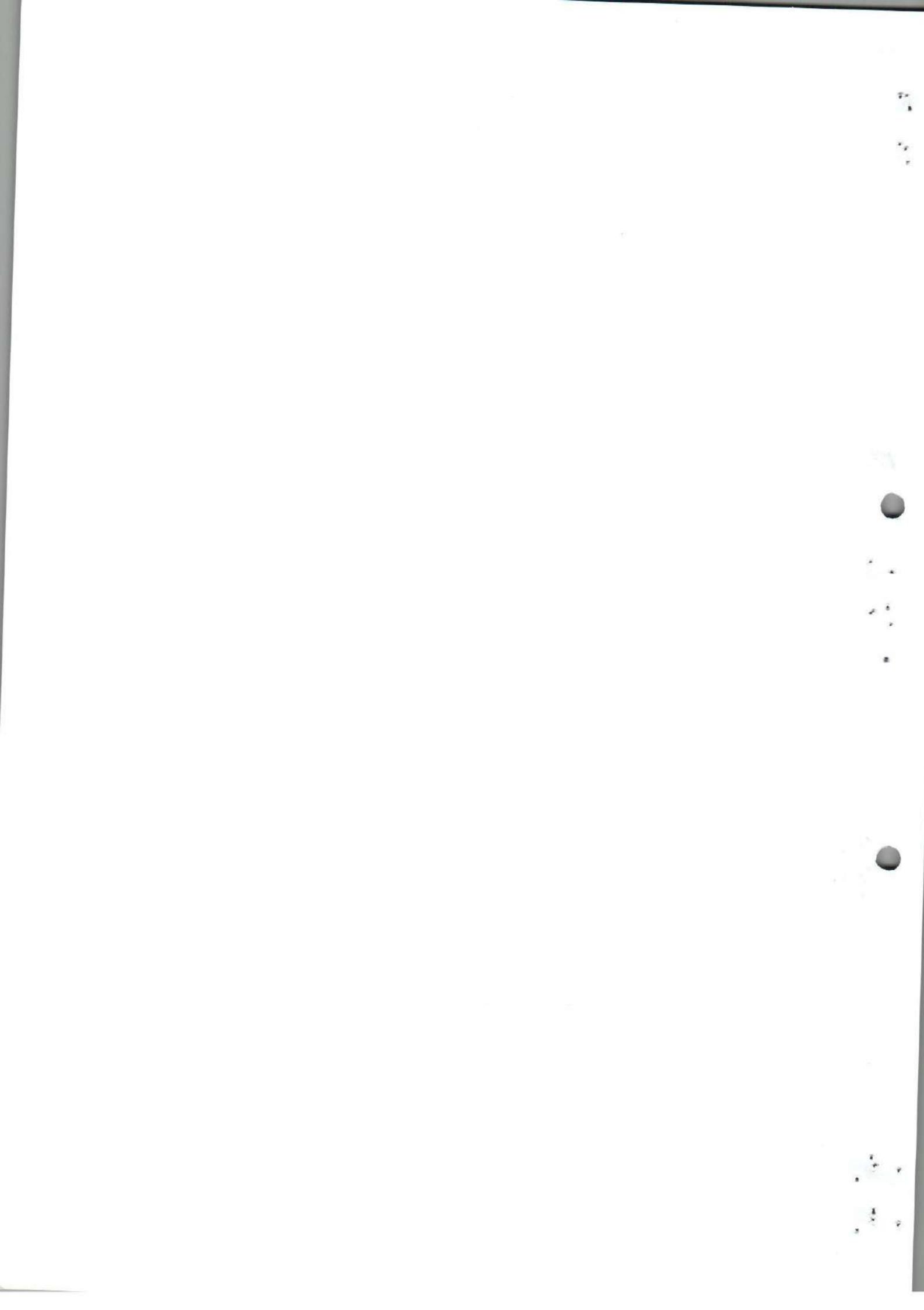
1. Public Hearing for the Bill shall be held on Tuesday, 9th April, 2019 from 9:00 a.m. to 1:00 p.m. at the Senate Chamber, Ground Floor, Main Parliament Buildings, Nairobi; or
2. Written Memoranda may be forwarded to the Clerk of the Senate/ Secretary, Parliamentary Service Commission, P.O. Box 41842-00100, Nairobi, hand-delivered to the Office of the Clerk of the Senate/ Secretary, Parliamentary Service Commission, First Floor, Main Parliament Building, Nairobi or emailed to csenate@parliament.go.ke, to be received on or before Tuesday, 9th April, 2019 at 5.00 p.m.

The Bill may be found on the Parliament website at <http://www.parliament.go.ke/senate>.

**CLERK OF THE SENATE/ SECRETARY,
PARLIAMENTARY SERVICE COMMISSION.**



Awesomeness coming your way,
in the **Standard Newspaper**,
this coming Thursday!



 Kenya Power

MAINTENANCE OF THE PREPAID SYSTEM

(Tuesday 9th April 11.00 pm - Wednesday 10th April 6.00 pm)

We wish to inform our esteemed customers that the prepaid system will be temporarily shut down from **Tuesday 9th April 11.00 p.m. to Wednesday 10th April 6.00 p.m.** to enable migration of data to a new hardware for improved service delivery.

During this period, our customers will not be able to purchase electricity tokens in our banking halls, prepaid paybill number 888880 and via all other prepaid vending channels.

As such, we advise our customers to purchase tokens early to avoid inconveniences from the shutdown.

Please note that the shutdown will not affect postpaid customers.

REPUBLIC OF KENYA



ELEVENTH PARLIAMENT
THE SENATE

PUBLIC HEARINGS/ RECEIPT OF MEMORANDA

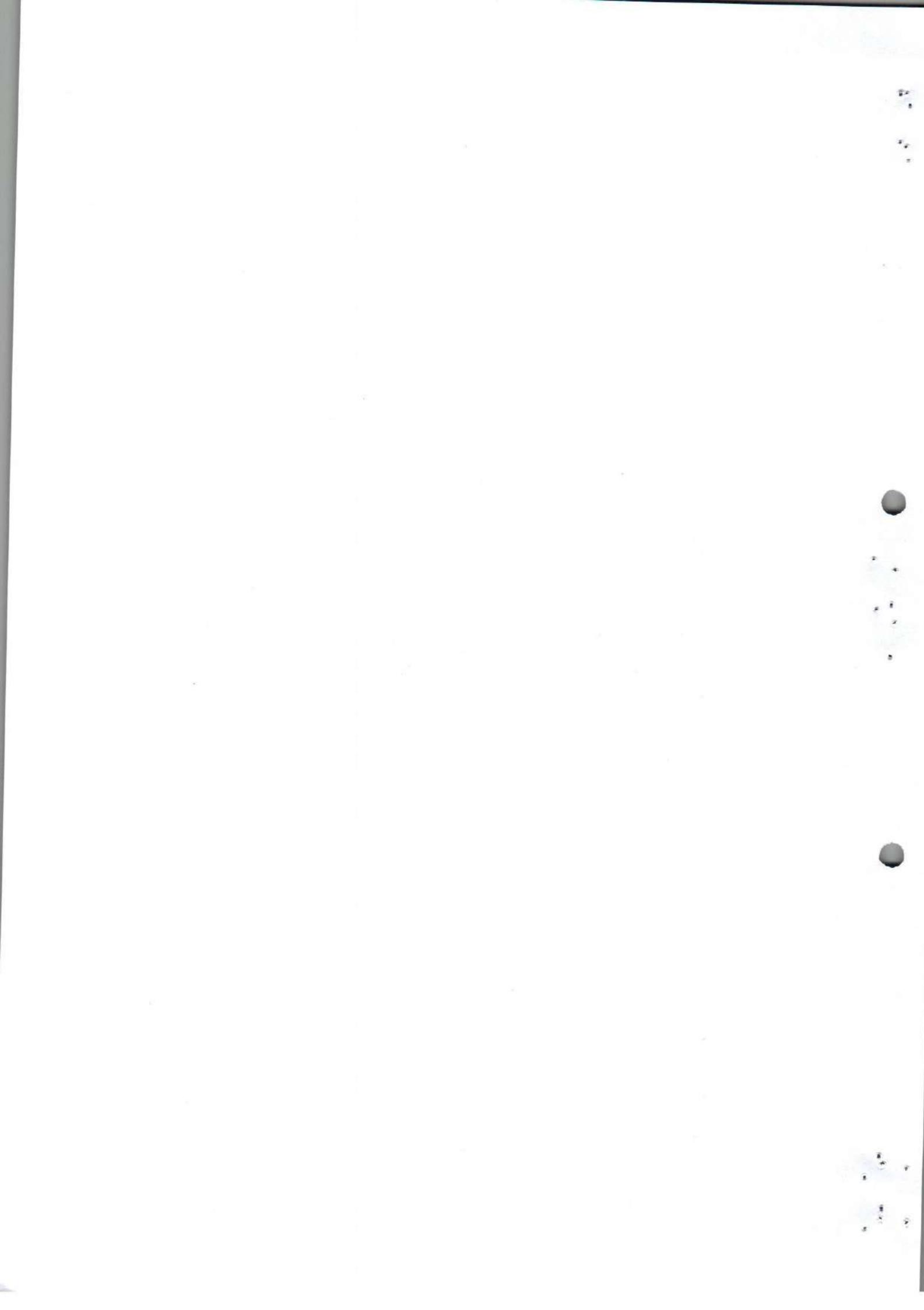
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1. Public Hearing for the Bill shall be held on Tuesday, 9th April, 2019 from 9:00 a.m. to 1:00 p.m. at the Senate Chamber, Ground Floor, Main Parliament Buildings, Nairobi; or
2. Written Memoranda may be forwarded to the Clerk of the Senate/ Secretary, Parliamentary Service Commission, P.O. Box 41842-00100, Nairobi, hand-delivered to the Office of the Clerk of the Senate/ Secretary, Parliamentary Service Commission, First Floor, Main Parliament Buildings, Nairobi or emailed to csenate@parliament.go.ke, to be received on or before Tuesday, 9th April, 2019 at 5.00 p.m.

The Bill may be found on the Parliament website at <http://www.parliament.go.ke/senate>

CLERK OF THE SENATE/ SECRETARY,
PARLIAMENTARY SERVICE COMMISSION,





TWELFTH PARLIAMENT

THE SENATE

PUBLIC HEARINGS/ RECEIPT OF MEMORANDA

ITEM NO	ITEM DESCRIPTION	TENDER REFERENCE	BID BOND(KSH)	ELIGIBILITY
01	Contract for the supply and spreading of gravel on various roads and sections within the Aguthi / Gakii Ward for the period November 2018-June 2019	CGN/TEND/INFRA/161/2018-2019	30,000	OPEN
02	Contract for the supply and spreading of gravel on various roads and sections within the Chinga Ward for the period November 2018-June 2019	CGN/TEND/INFRA/162/2018-2019	30,000	OPEN
03	Contract for the supply and spreading of gravel on various roads and sections within the Bedan Kimathi Ward For The Period November 2018-June 2019	CGN/TEND/INFRA/163/2018-2019	NIL	YOUTH
04	Contract for the supply and spreading of gravel on various roads and sections within the Endarasha / Mwiyego Ward for the period November 2018-June 2019	CGN/TEND/INFRA/164/2018-2019	30,000	OPEN
05	Contract for the supply and spreading of gravel on various roads and sections within the Gakawa Ward for the period November 2018-June 2019	CGN/TEND/INFRA/165/2018-2019	30,000	OPEN
06	Contract for the supply and spreading of gravel on various roads and sections within the Gatarakwa Ward for the period November 2018-June 2019	CGN/TEND/INFRA/166/2018-2019	30,000	OPEN
07	Contract for the supply and spreading of gravel on various roads and sections within the Gatithi Ward for the period November 2018-June 2019	CGN/TEND/INFRA/167/2018-2019	30,000	OPEN
08	Contract for the supply and spreading of gravel on various roads and sections within the Gikondi Ward for the period November 2018-June 2019	CGN/TEND/INFRA/168/2018-2019	30,000	OPEN
09	Contract for the supply and spreading of gravel on various roads and sections within the Irlant Ward (Mathira East) for the period November 2018-June 2019	CGN/TEND/INFRA/169/2018-2019	30,000	OPEN
10	Contract for the supply and spreading of gravel on various roads and sections within the Irlant Ward (Othaya) Ward for the period November 2018-June 2019	CGN/TEND/INFRA/170/2018-2019	30,000	OPEN
11.	Contract for the supply and spreading of gravel on various roads and sections within the Kabaru Ward for the period November 2018-June 2019	CGN/TEND/INFRA/171/2018-2019	NIL	WOMEN
12.	Contract for the supply and spreading of gravel on various roads and sections within the Kamakwa Mukaro Ward for the period November 2018-June 2019	CGN/TEND/INFRA/172/2018-2019	NIL	YOUTH
13.	Contract for the supply and spreading of gravel on various roads and sections within the Karatina Ward for the period November 2018-June 2019	CGN/TEND/INFRA/173/2018-2019	NIL	PWD
14.	Contract for the supply and spreading of gravel on various roads and sections within the Karima Ward for the period November 2018-June 2019	CGN/TEND/INFRA/174/2018-2019	NIL	WOMEN
15.	Contract for the supply and spreading of gravel on various roads and sections within the Kigango / Marthari Ward for the period November 2018-June 2019	CGN/TEND/INFRA/175/2018-2019	30,000	OPEN
16.	Contract for the supply and spreading of gravel on various roads and sections within the Kirimukuya Ward for the period November 2018-June 2019	CGN/TEND/INFRA/176/2018-2019	30,000	OPEN

TENDER NOTICE

Bids are invited from eligible and qualified firms for the following contracts:-

COUNTY GOVERNMENT OF NYERI

DEPARTMENT OF TRANSPORT, PUBLIC WORKS, INFRASTRUCTURE & ENERGY
 P.O. BOX 1112-10100, NYERI. Telephone 0721019019, 0722019019, Email:info@nyeri.go.ke

TENDER NOTICE

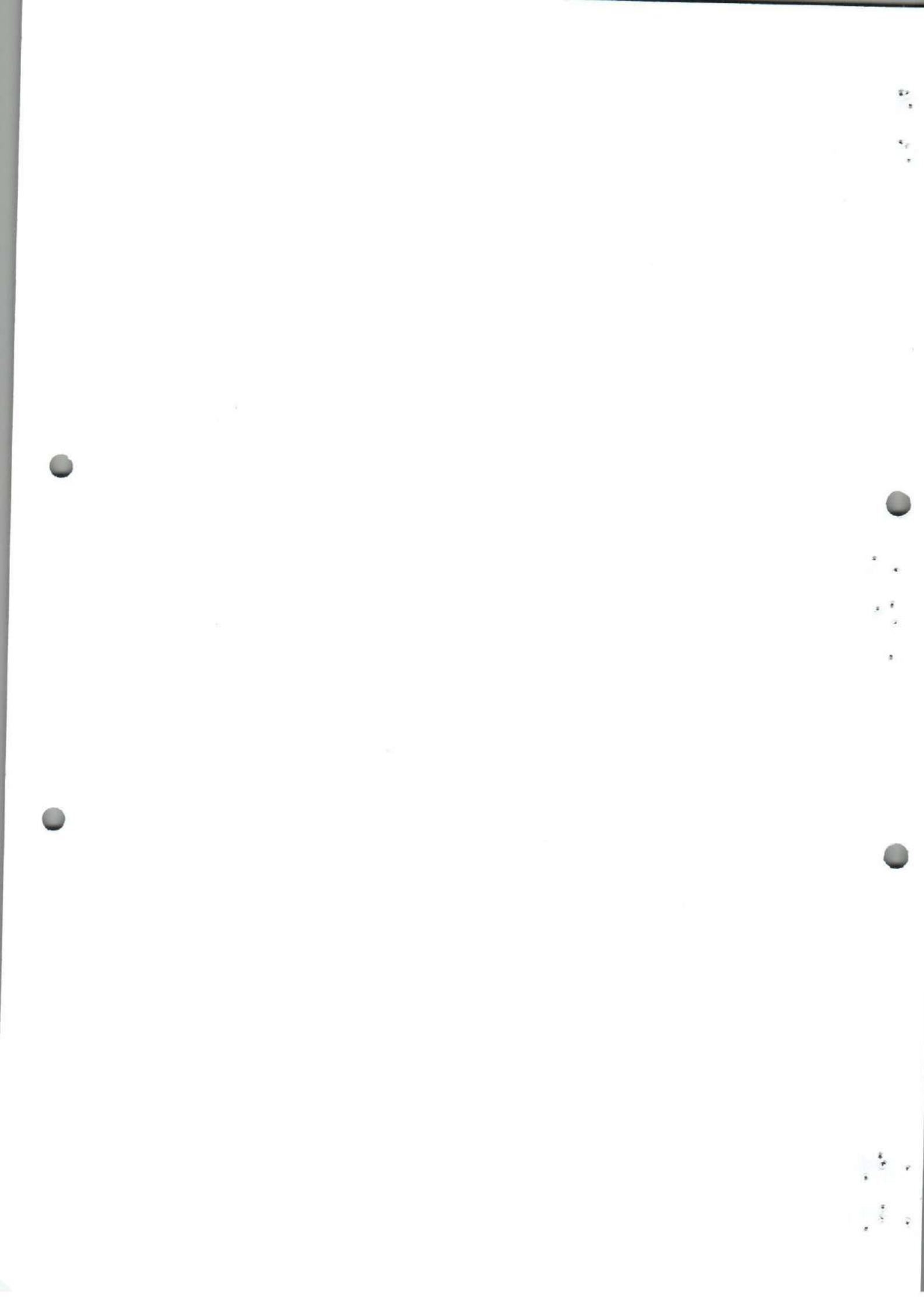
Bids are invited from eligible and qualified firms for the following contracts:-

The County Governments Retirement Scheme Bill, 2018 (National Assembly Bills No.10 of 2018) was read a First Time in the Senate on Tuesday, 13th November, 2018 and was thereafter committed to the Senate Standing Committee on Labour and Social Welfare for consideration.

Pursuant to the provisions of Article 118 (1) (b) of the Constitution and standing order 140 (1) of the Senate Standing Orders, the Senate Standing Committee on Labour and Social Welfare now invites interested members of the public and stakeholders to submit their views on the Bill. The Bill being very similar to the Senate Bill that went through thorough participation in the Senate, the Committee invites any variances in form of written memorandum by stakeholders forwarded to the Clerk of the Senate/ Secretary, Parliamentary Service Commission, P.O. Box 41842-00100, Nairobi, hand-delivered to the Office of the Clerk of the Senate/ Secretary, Parliamentary Service Commission, First Floor, Main Parliament Buildings, Nairobi or emailed to csenate@parliament.go.ke, to be received on or before Monday, 26th November, 2018 at 5.00 p.m.

The Bill may be accessed on the Parliament website at <http://www.parliament.go.ke/senate>.

**CLERK OF THE SENATE/ SECRETARY,
 PARLIAMENTARY SERVICE COMMISSION**



KISII COUNTY GOVERNMENT



Telephone: +254-020-8029160
Email: kisiicountygovernment.co.ke
Fax: 058-30796

REPUBLIC OF KENYA



TWELFTH PARLIAMENT THE SENATE

PUBLIC HEARING AND RECEIPT OF MEMORANDA

The County Governments Retirement Scheme Bill, 2018) (National Assembly Bills No.10 of 2018) was read a First Time in the Senate on Tuesday, 13th November, 2018 and was thereafter committed to the Senate Standing Committee on Labour and Social Welfare for consideration.

Pursuant to the provisions of Article 118 (1) (b) of the Constitution and standing order 140 (1) of the Senate Standing Orders, the Senate Standing Committee on Labour and Social Welfare now invites interested members of the public and stakeholders to submit their views on the Bill. The Bill being very similar to the Senate Bill that went through thorough participation in the Senate, the Committee invites any variances in form of written memorandum by stakeholders forwarded to the Clerk of the Senate/ Secretary, Parliamentary Service Commission, P.O. Box 41842-00100, Nairobi, hand-delivered to the Office of the Clerk of the Senate/ Secretary, Parliamentary Service Commission, First Floor, Main Parliament Buildings, Nairobi or emailed to csenate@parliament.go.ke, to be received on or before Monday, 26th November, 2018 at 5.00 p.m.

The Bill may be accessed on the Parliament website at <http://www.parliament.go.ke/senate>.

CLERK OF THE SENATE/ SECRETARY,
PARLIAMENTARY SERVICE COMMISSION.

COUNTY ASSEMBLY

INVITATION TO TENDER (OPEN TENDER)

The Kisii County Assembly hereby invites interested, experienced, registered and eligible contractors to tender for the proposed extension of library, ICT center and procurement offices to host MCA's offices. This will be a multiyear project which will run in three phases in the financial years 2018-2021.

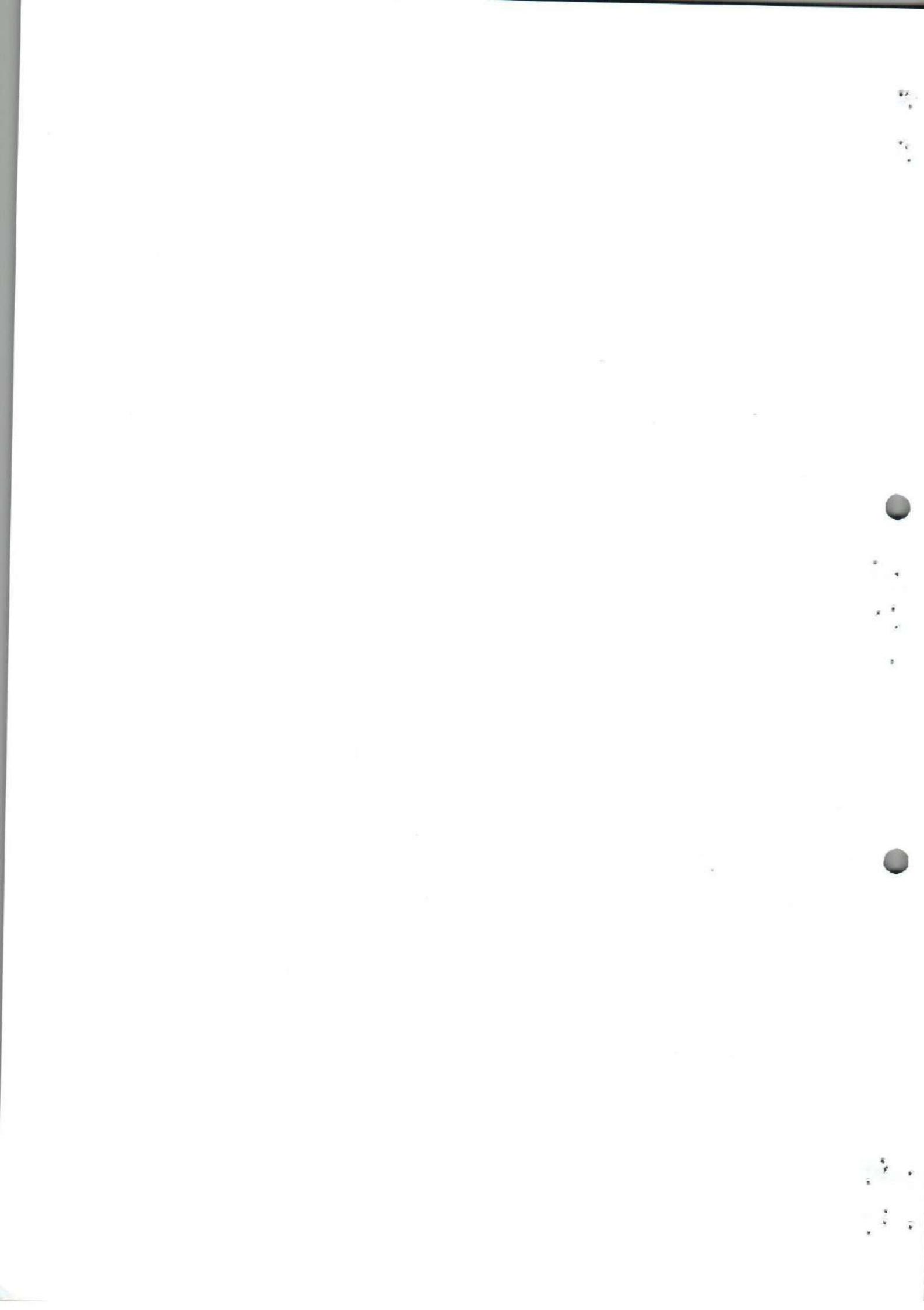
TENDER NO.	DESCRIPTION OF WORKS	CLOSING DATE	CLOSING TIME
KCAC/C/005/ 2018-2021	Proposed extension of library, ICT Centre and procurement offices to host MCA's offices	4/12/2018	11.00 AM

Tender documents with details will be obtained freely from Kisii County Assembly website www.kisiicountyassembly.go.ke. Completed tender documents in plain sealed envelopes clearly marked with tender number and name should be addressed and delivered to:

Clerk,
Kisii County Assembly,
P.O. Box 4552-40200, KISII.

and be deposited in the tender box marked and placed in the reception of Block B of Assembly offices on or before 4th December, 2018 at 11.00AM East African time.
TENDERS SHALL BE OPENED on 4th December, 2018 **AT 11.00 AM** at the Office Reception in the presence of applicants or their representatives who will choose to attend.

CLERK
KISII COUNTY ASSEMBLY



MINUTES OF THE 33RD MEETING OF THE STANDING COMMITTEE ON LABOUR & SOCIAL WELFARE HELD ON TUESDAY, 23RD JULY, 2019 IN GROUND FLOOR BOARDROOM, RED CROSS BUILDING FROM 9.30 AM.

MEMBERS PRESENT

1. Sen. Sakaja Johnson Arthur, CBS
2. Sen. (Dr.) Milgo Alice Chepkorir
3. Sen. Madzayo Stewart Mwachiru
4. Sen. Poghisio Samuel Losuron, EGH
5. Sen. Cherarkey Samson Kiprotich
6. Sen. (Dr.) Inimah Gertrude Musuruve

- Chairperson
-Vice Chairperson
-Member
-Member
-Member
-Member

ABSENT WITH APOLOGIES

1. Sen. (Dr.) Mwaura Isaac, CBS
2. Sen. Makori Beatrice Kwamboka
3. Sen. Lokorio Petronila Were

- Member
-Member
-Member

SENATE SECRETARIAT

1. Ms. Mwanate Shaban - Clerk Assistant
2. Mr. Jeremy Chabari - Legal Counsel
3. Mr. Paul Okech - Research Officer
4. Ms. Julia Gachoki - SAA
5. Mr. Philemon Okinda - SAA
6. Ms. Joyce Chelang'at - Audio Officer

MINUTE SEN/SCLSW/155/2019: PRELIMINARIES

The Chairperson called the meeting to order at 10.00 am followed by a word of prayer.

MINUTE SEN/SCLSW/156/2019: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted after being proposed by Sen. Poghisio and seconded by Sen. Madzayo as follows –

AGENDA

1. Preliminaries (Prayers)
2. Adoption of the Agenda;
3. Confirmation of Previous Minutes (Minutes 17 & 16);
4. Consideration and Adoption of the Report on the County Governments Retirement Scheme Bill, (NA Bill no. 10 of 2018); and
5. Any Other Business & Adjournment.

**MINUTE SEN/SCLSW/157/2019: CONFIRMATION OF PREVIOUS MINUTES
(MINUTES 16 & 17);**

1. The Minutes of the 17th Sitting held on Monday, 6th May, 2019 in the Baraza Conference Centre, Whitesands Beach Hotel and Resort from 2.30 pm were confirmed as a true reflection of the meeting after having been proposed by Sen. Poghisio and seconded by Sen. Musuruve.
2. The Minutes of the 16th Sitting held on Monday, 6th May, 2019 in the Baraza Conference Centre, Whitesands Beach Hotel and Resort from 9.30 am were confirmed as a true reflection of the meeting after having been proposed by Sen. Milgo and seconded by Sen. Musuruve.

MINUTE SEN/SCLSW/158/2019: CONSIDERATION AND ADOPTION OF THE REPORT ON THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL, (NA BILL NO. 10 OF 2018);

The Committee considered the report on the County Government Retirement Scheme Bill (National Assembly Bill No. 10 of 2018) and resolved as follows-

1. **THAT** clause 3 of the Bill be amended by inserting the following new paragraph immediately after paragraph (e)—
(f) protect the benefits of the members of the Scheme.
2. **THAT** clause 4 of the Bill be amended in subclause (3) by inserting the following new paragraph immediately after paragraph (c)—
(ca) gratuity; and
3. **THAT** the Bill be amended by deleting clause 6 and substituting therefor the following new clause—

Board of 6 (1) The management of the Scheme shall vest in a Board of Trustees of Trustees of the Scheme.
the Scheme. (2) The Board shall consist of—

- (a) the chairperson elected by the Trustees from among the members under paragraph (c), (d), (e) and (f);
- (b) the Principal Secretary responsible for matters relating to finance or a representative;
- (c) a person nominated by Council of County Governors;
- (d) a person nominated by County Public Service Boards;
- (e) a person nominated by County Assembly Service Boards;
- (f) five persons nominated by most representative trade unions representing employees of county governments of whom at least two shall not be of the same gender as follows—
(i) four persons from trade unions representing the

- employees within the county executive; and
- (ii) a person from trade unions representing the employees within the county assemblies' service; and
- (g) the chief executive officer who shall be an ex officio member and the secretary to the Board with no voting rights.
- (3) The vice-chairperson of the Board shall be elected by the Trustees from among their number.
- (4) The chairperson and vice-chairperson shall be of the opposite gender.
- (5) The Cabinet Secretary shall ensure that not more than two thirds of the members of the Board are of the same gender.
- (6) The Cabinet Secretary shall appoint the persons nominated under subsection (2) by notice in the *Gazette*.
- (7) The procedure for nomination and appointment of Trustees under subsection (2) shall be as prescribed in the regulations.
4. **THAT** clause 10 of the Bill be amended in subclause (1) by deleting the word "three" appearing immediately after the words "absence from" appearing in paragraph (e) and substituting therefor the word "two".
5. **THAT** the Bill be amended by deleting clause 16 and substituting therefor the following new clause—
- Remuneration of Trustees 16. The Trustees shall be paid such remuneration as the Authority may determine in accordance with the Retirement Benefits Act.
6. **THAT** clause 18 of the Bill be amended by inserting the following new subclause immediately after subclause (4)—
- (4a) The chief executive officer shall hold office for a term of three years and may be eligible for re-appointment for a further final term of three years.
7. **THAT** clause 23 of the Bill be amended in subclause (2) by deleting the word "shall" appearing immediately after the word "administrator" and substituting therefor with the word "may".
8. **THAT** clause 24 of the Bill be amended by deleting subclause (1) and substituting therefor the following new subclause –
- (1) A member shall, so long as the member remains in the employment of a sponsor, contribute not less than twelve percent of that member's pensionable emoluments to the Scheme.
9. **THAT** clause 48 of the Bill be amended in subclause (1) by deleting the words "two years" appearing immediately after the words "imprisonment for a term not exceeding" at the end of subclause and substituting therefor the words "five years."

10. THAT clause 55 of the Bill be amended by inserting the following new subclauses immediately after subclause (6)—

(7) The Auditor General shall cause an actuarial audit and valuation to be carried out with respect to the closed schemes within six months upon the commencement of this Act to ascertain the following for the purpose of transitional management—

- (a) assets acquired by the schemes;
- (b) liabilities accrued by the schemes; and
- (c) employees of the schemes.

(8) The Auditor General shall submit a report on the findings of the audit and valuation to the Board, the Senate and the National Assembly within three months of carrying out of the audit under subsection (7).

11. THAT clause 56 of the Bill be amended by deleting subclause (6) and substituting the following new subclause—

(6) The Retirement Benefits Authority shall, within five years from the commencement of this Act, ensure the implementation of this section.

12. Amendment of The County Governments Act is amended by deleting section section 132 of Act 132.
No. 17 of 2012

15. FIRST SCHEDULE

The schedule is amended in paragraph 2 by deleting subparagraphs (1) and (2) and substituting therefor the following new subparagraphs—

(1) The quorum of a meeting of the Board shall be five Trustees present and voting and shall include at least two Trustees appointed under section 6 (2) (b), (c), (d) or (e) and at least three Trustees appointed under section 6 (2) (f).

(2) For special meetings, the quorum shall be six Trustees present and voting and shall include at least three Trustees appointed under section 6 (2) (b), (c), (d) or (e) and at least four Trustees appointed under section 6 (2) (f).

The report of the County Government Retirement Scheme Bill was adopted after being proposed by Sen. Madzayo and confirmed by Sen. Musuruve.

MINUTE SEN/SCLSW/159/2019: ANY OTHER BUSINESS AND ADJOURNMENT

There being no other business the meeting was adjourned at 12.30 pm and the date of the next meeting set to Wednesday, 24th July 2019 at 10.00am.

SIGNATURE.....

(CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE.....

THE SENATE
ATTENDANCE REGISTER
STANDING COMMITTEE ON LABOUR AND SOCIAL WELFARE

Purpose..... Adoption of the County Government Retirement Scheme Bill, 2018. (NA Bills No. 10 of 2018)

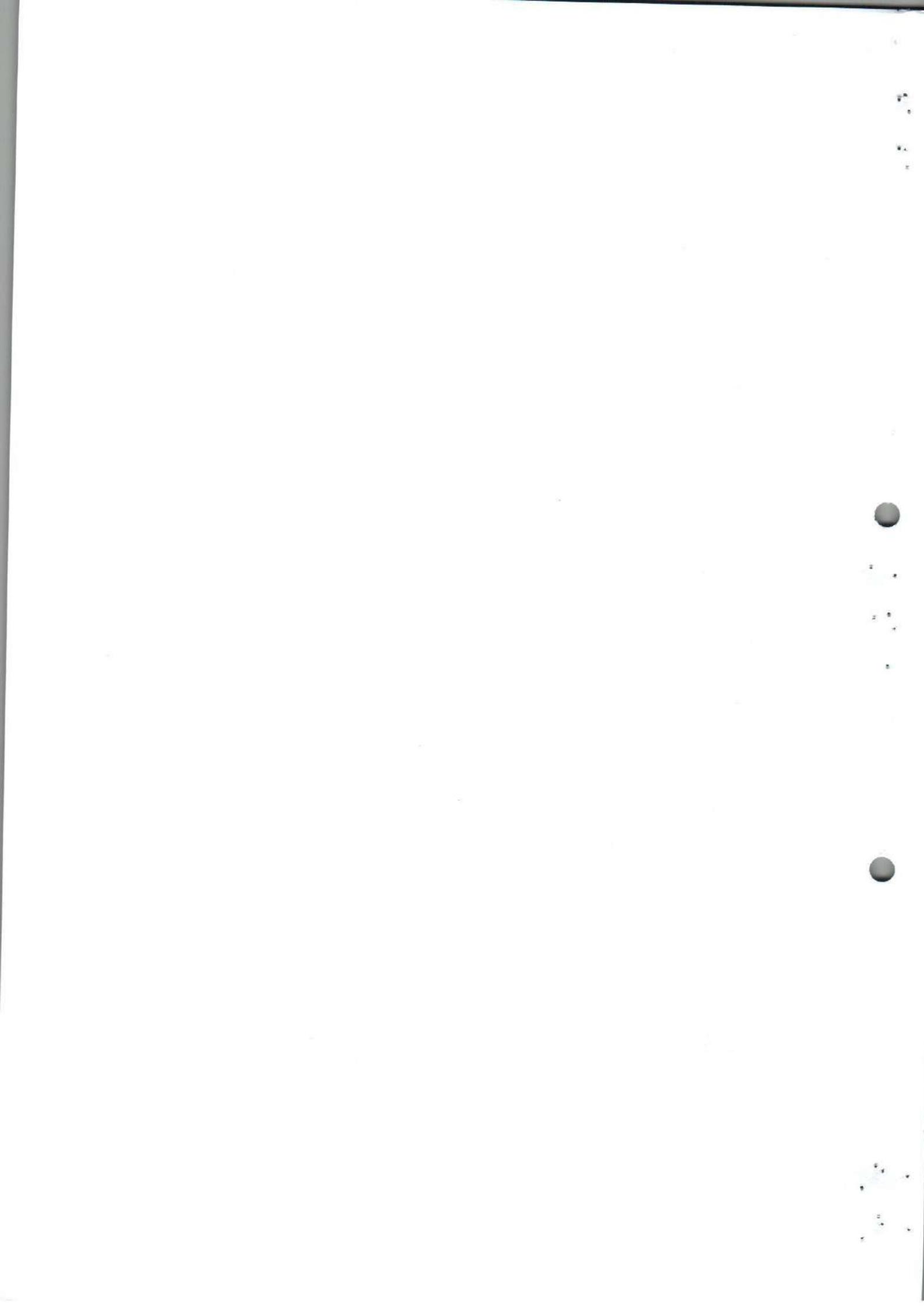
Venue..... Ground Floor, Red Cross Building.....

Date..... Tuesday, 23rd July 2019..... Time..... 9:30 am.....

No.	NAME	SIGNATURE	REMARKS
1.	Sen. Sakaja Johnson Arthur, CBS	Chair	Chairman
2.	Sen. (Dr.) Milgo Alice Chepkorir	Alice	Vice Chairman
3.	Sen. Madzayo Stewart Mwachiru	Madzayo	Member
4.	Sen. Poghisio Samuel Losuron, EGH	Samuel	Member
5.	Sen. (Dr.) Mwaura Isaac, CBS	Isaac	Member
6.	Sen. Cherarkey Samson Kiprotich	Samson	Member
7.	Sen. Makori Beatrice Kwamboka	Beatrice	
8.	Sen. (Dr.) Inimah Gertrude Musuruve	Inimah	Member
9.	Sen. Lokorio Petronila Were	Petronila	

Committee Clerk

Phusca.



**MINUTES OF THE 32TH MEETING OF THE STANDING COMMITTEE ON
LABOUR & SOCIAL WELFARE HELD ON TUESDAY, 16TH JULY, 2019 IN
GROUND FLOOR BOARDROOM, RED CROSS BUILDING FROM 9.00 AM.**

MEMBERS PRESENT

- | | |
|--|-------------------|
| 1. Sen. Sakaja Johnson Arthur, CBS | -Chairperson |
| 2. Sen. (Dr.) Milgo Alice Chepkorir | -Vice Chairperson |
| 3. Sen. Lokorio Petronila Were | -Member |
| 4. Sen. (Dr.) Inimah Gertrude Musuruve | -Member |

ABSENT WITH APOLOGIES

- | | |
|--------------------------------------|---------|
| 1. Sen. Madzayo Stewart Mwachiru | -Member |
| 2. Sen. Poghisio Samuel Losuron, EGH | -Member |
| 3. Sen. (Dr.) Mwaura Isaac, CBS | -Member |
| 4. Sen. Makori Beatrice Kwamboka | -Member |
| 5. Sen. Cherarkey Samson Kiprotich | -Member |

SENATE SECRETARIAT

- | | |
|-----------------------|-------------------|
| 1. Ms. Mwanate Shaban | - Clerk Assistant |
| 2. Mr. Jeremy Chabari | - Legal Counsel |
| 3. Ms. Julia Gachoki | - SAA |

MINUTE SEN/SCLSW/150/2019: PRELIMINARIES

The Chairperson called the meeting to order at 9.30 am followed by a word of prayer.

MINUTE SEN/SCLSW/151/2019: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted after being proposed by Sen. Petronila and seconded by Sen. Musuruve as follows –

AGENDA

1. Preliminaries (Prayers)
2. Adoption of the Agenda;
3. Confirmation of Previous Minutes (Minutes 17 & 16);
4. Consideration and Adoption of the Report on the County Governments Retirement Scheme Bill, (NA Bill no. 10 Of 2018); and
5. Any Other Business & Adjournment.

**MINUTE SEN/SCLSW/152/2019: CONFIRMATION OF PREVIOUS MINUTES
(MINUTES 16, 17 & 18);**

Members resolved to consider the report first and agree on its contents before confirming the minutes.

MINUTE SEN/SCLSW/153/2019: CONSIDERATION AND ADOPTION OF THE REPORT ON THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL, (NA BILL NO. 10 OF 2018);

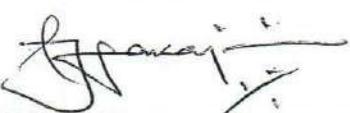
The Committee requested the legal counsel to take them through the contentious issues of the Bill. The Legal Counsel presented as follows-

- 1) Name of the Bill – Members had resolved to retain the name as it is in the Bill.
- 2) Inclusion of the Definition of trivial pension in the definitions – the Committee was advised that that the definition was already there in the regulatory Act and there was therefore no need of defining it again.

Members resolved to postpone the consideration of the report due to lack of quorum to adopt the report.

MINUTE SEN/SCLSW/154/2019: ANY OTHER BUSINESS AND ADJOURNMENT

There being no other business the meeting was adjourned at 10.04 am and the date of the next meeting set to Tuesday, 23rd July, 2019 at 9.30 am.

SIGNATURE.....


(CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE.....


**MINUTES OF THE 29TH MEETING OF THE STANDING COMMITTEE ON
LABOUR & SOCIAL WELFARE HELD ON TUESDAY, 9TH JULY, 2019 IN
COMMITTEE ROOM 10, MAIN PARLIAMENT BUILDINGS FROM 12.00 NOON.**

MEMBERS PRESENT

1. Sen. Sakaja Johnson Arthur, CBS	-Chairperson
2. Sen. (Dr.) Milgo Alice Chepkorir	-Vice Chairperson
3. Sen. Madzayo Stewart Mwachiru	-Member
4. Sen. Poghisio Samuel Losuron, EGH	-Member
5. Sen. Cherarkey Samson Kiprotich	-Member
6. Sen. Lokorio Petronila Were	-Member

ABSENT WITH APOLOGIES

1. Sen. (Dr.) Mwaura Isaac, CBS	-Member
2. Sen. Makori Beatrice Kwamboka	-Member
3. Sen. (Dr.) Inimah Gertrude Musuruve	-Member

SENATE SECRETARIAT

1. Ms. Mwanate Shaban	-Clerk Assistant
2. Mr. Jeremy Chabari	-Legal Counsel
3. Paul Vitus Okech	- Research Officer
4. Ms. Julia Gachoki	- SAA

MINUTE SEN/SCLSW/136/2019: PRELIMINARIES

The Chairperson called the meeting to order at 12.05 pm followed by a word of prayer.

MINUTE SEN/SCLSW/137/2019: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted after being proposed by Sen. Cherargey and seconded by Sen. Petronila as follows –

AGENDA

1. Preliminaries (Prayers)
2. Adoption of the Agenda;
3. Confirmation of Previous Minutes (Minutes 26 & 27);
4. Consideration of the Amendments to the National Museums and Heritage (Amendment) Bill, 2019; and
5. Any Other Business & Adjournment.

**MINUTE SEN/SCLSW/138/2019: CONFIRMATION OF PREVIOUS MINUTES
(MINUTES 26 & 27);**

1. The Minutes of the 27th Sitting held on Tuesday, 2nd July, 2019 in the Ground floor boardroom, Red Cross Building from 12.00 noon were confirmed as a true reflection of the meeting after having been proposed by Sen. Poghisio and seconded by Sen. Petronila.
2. The Minutes of the 26th Sitting held on Tuesday, 2nd July, 2019 in the Ground floor boardroom, Red Cross Building from 10.00 am were confirmed as a true reflection of the meeting after having been proposed by Sen. Petronila and seconded by Sen. Cherargey

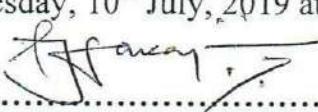
**MINUTE SEN/SCLSW/139/2019: CONSIDERATION OF THE AMENDMENTS
TO THE NATIONAL MUSEUMS AND HERITAGE (AMENDMENT) BILL, 2019;**

Members deliberated on the National Museums and Heritage Bill and resolved to wait for the Ministry of Sports and Culture to harmonise the two bills and submit a new version to the committee. Members resolved to hold a retreat in August to consider the new bill together with other issues under their mandate.

MINUTE SEN/SCLSW/140/2019: ANY OTHER BUSINESS AND ADJOURNMENT

1. The Chair updated the meeting that he will meet the County Public Service Boards and report to the committee on the introduction of the County Public Service Boards Bill.
2. Members discussed the strikes of the medical personnel in Laikipia and Kirinyaga counties and noted that the Health Committee was already dealing with the issue. They tasked the secretariat to give a brief of the state of the workers and health in the affected counties in the next meeting
3. Members were reminded that the meeting on the Nol Turesh petition was the following day, Wednesday, 10th July, 2019 which will be followed by a meeting to consider and adopt the report of the County Governments Retirement Scheme Bill, 2018.

There being no other business the meeting was adjourned at 1.00 pm and the date of the next meeting set for Wednesday, 10th July, 2019 at 10.00 am.

SIGNATURE..... 

(CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE..... 

**MINUTES OF THE 18TH MEETING OF THE STANDING COMMITTEE ON
LABOUR & SOCIAL WELFARE HELD ON MONDAY, 6TH MAY, 2019 IN THE
BARAZA. CONFERENCE CENTRE, WHITESANDS BEACH HOTEL AND
RESORT FROM 7.30 PM**

MEMBERS PRESENT

- | | |
|--|-------------------|
| 1. Sen. Sakaja Johnson Arthur, CBS | -Chairperson |
| 2. Sen. (Dr.) Milgo Alice Chepkorir | -Vice Chairperson |
| 3. Sen. Makori Beatrice Kwamboka | -Member |
| 4. Sen. Lokorio Petronila Were | -Member |
| 5. Sen. (Dr.) Inimah Gertrude Musuruve | -Member |

ABSENT WITH APOLOGIES

- | | |
|--------------------------------------|---------|
| 1. Sen. Madzayo Stewart Mwachiru | -Member |
| 2. Sen. Poghisio Samuel Losuron, EGH | -Member |
| 3. Sen. Cherarkey Samson Kiprotich | -Member |
| 4. Sen. (Dr.) Mwaura Isaac, CBS | -Member |

SENATE SECRETARIAT

- | | |
|----------------------------|-------------------|
| 1. Ms. Mwanate Shaban | -Clerk Assistant |
| 2. Ms. Kavata Musyoka | -Clerk Assistant |
| 3. Mr. Jeremy Chabari | -Legal Counsel |
| 4. Mr. Douglas Mbuvu | -Security officer |
| 5. Ms. Diana Munene | -Secretary |
| 6. Ms. Josephine Galsaraco | -Office Assistant |
| 7. Mr. Stephen Nyakuti | -Audio Officer |

MINUTE SEN/SCLSW/087/2019: PRELIMINARIES

The Chairperson called the meeting to order at 9.30 am followed by a word of prayer.

MINUTE SEN/SCLSW/088/2019: ADOPTION OF THE AGENDA

The agenda of the meeting was unanimously adopted as consideration of amendments to the County Governments Retirement Scheme Bill, 2018.

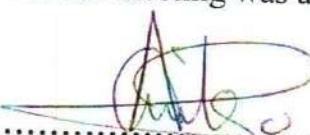
**MINUTE SEN/SCLSW/089/2019: CONSIDERATION OF THE AMENDMENTS
TO THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL, 2018 (NA
BILL NO. 10 OF 2018);**

The Members considered the amendments that had previously shelved and resolved as follows—

- a) To retain the name of the Bill as County Governments Retirement Scheme Bill;
- b) To seek an advisory from the Retirement and Benefits Authority on the following issues –
 - i) The definition of trivial pension according to the RBA;
 - ii) Establishment of an Inter-Scheme Transition Committee (answerable to the RBA) by the closed schemes to manage the transition period and attached the suggestion from CPF Financial Services Ltd. which also proposes its deletion and the insertion of a new clause 56 (6);
 - iii) Amendment of clause 58 of the Bill to increase the transition period to 10 years or upon payment of all liabilities of the schemes; and
 - iv) RBA's position on the scheme establishing a statutory or irrevocable trust.

MINUTE SEN/SCLSW/090/2019: ANY OTHER BUSINESS AND ADJOURNMENT

There being no other business the meeting was adjourned at 9.00 pm.

SIGNATURE.....
(CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE.....Wednesday 10th July 2019.....

**MINUTES OF THE 17TH MEETING OF THE STANDING COMMITTEE ON
LABOUR & SOCIAL WELFARE HELD ON MONDAY, 6TH MAY, 2019 IN THE
BARAZA CONFERENCE CENTRE, WHITESANDS BEACH HOTEL AND
RESORT FROM 2.30 PM**

MEMBERS PRESENT

1. Sen. Sakaja Johnson Arthur, CBS	-Chairperson
2. Sen. (Dr.) Milgo Alice Chepkorir	-Vice Chairperson
3. Sen. Poghisio Samuel Losuron, EGH	-Member
4. Sen. (Dr.) Mwaura Isaac, CBS	-Member
5. Sen. Lokorio Petronila Were	-Member
6. Sen. (Dr.) Inimah Gertrude Musuruve	-Member

ABSENT WITH APOLOGIES

1. Sen. Madzayo Stewart Mwachiru	-Member
2. Sen. Cherarkey Samson Kiprotich	-Member
3. Sen. Makori Beatrice Kwamboka	-Member

SENATE SECRETARIAT

1. Ms. Mwanate Shaban	-Clerk Assistant
2. Ms. Kavata Musyoka	-Clerk Assistant
3. Mr. Jeremy Chabari	-Legal Counsel
4. Mr. Douglas Mbuvu	-Security officer
5. Ms. Diana Munene	-Secretary
6. Ms. Josephine Galsaraco	-Office Assistant
7. Mr. Stephen Nyakuti	-Audio Officer

MINUTE SEN/SCLSW/083/2019: PRELIMINARIES

The Chairperson called the meeting to order at 9.30 am followed by a word of prayer.

MINUTE SEN/SCLSW/084/2019: ADOPTION OF THE AGENDA

The agenda of the meeting was unanimously adopted as consideration of amendments to the County Governments Retirement Scheme Bill, 2018.

**MINUTE SEN/SCLSW/085/2019: CONSIDERATION OF THE AMENDMENTS
TO THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL, 2018 (NA
BILL NO. 10 OF 2018);**

The Members considered the amendments as listed and made resolutions as indicated in the matrix below -

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
1.	24	County Assemblies Forum (CAF)	Amend to provide that all members contribute a uniform 12 %, add a proviso that the contribution be consistent with the Retirement Benefits Act (RBA) and the RBA Regulations.	Various boards shall interpret to provide divergent amounts where some contribute the statutory minimum while others contribute the highest possible.	The provision of not less than seven and a half percent leaves too much discretion to the various service boards, which can be exercised to the detriment of employees.
	CPF		<p>The Bill is amended in clause 24 by—</p> <p>(a) inserting the words “an amount equal to twelve percent of his pensionable emoluments, or higher or lower rate as may be prescribed by the Board” immediately after the word “Scheme” in clause 24 (1)</p> <p>(b) deleting the subclause (2) and substituting therefor the following new subclause—</p> <p>(2) The sponsor shall make its own contribution on behalf of the member of the scheme who is his employee at the rate of fifteen percent of a members pensionable emoluments, or any</p>	<p>A reduction in contribution rates violated Regulation 40 (b) of RBA Occupational Regulations 2000.</p> <p>Creates two categories of employees thus discriminatory.</p> <p>Reduces employees’ benefits contrary to section 138 of the County Governments Act.</p>	<p>Allowed. There is need to respect the views of county employees.</p>

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			higher or lower amount as may be prescribed by the Board.		
2.	26	RBA	<p>Delete clause 26 (3) (a) or in the alternative amend to read—</p> <p>Where a member leaves employment, the member may opt for payment as prescribed by the Authority and the investment income that has accrued in respect of those contributions</p>	<p>The clause contradicts Regulation 19 (5) of the Occupational Regulations. The years of service are irrelevant because all benefits vest immediately.</p>	<p>Allow the alternative clause as it is in line with the Retirement Benefits Act.</p>
3.	37	CPF	<p>a) Delete the words “County Government Retirement Fund” and substitute therefor the words “County Pension Fund”.</p> <p>b) Delete the marginal note and substitute therefor the following—</p> <p>County Pension Fund.</p>		Disallowed
4.	38	CPF	The Bill is amended in clause 38(4) (a) by deleting the word “Board” and therefore substituting with		Disallowed

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
5.	Insertion of new clause 23B	CPF	<p>Insert clause 23A on the Chief Executive Officer and other staff immediately after clause 23 to read as follows—</p> <p>23A (1) There shall be the chief executive officer of the Administrator who shall be appointed by the Board under an instrument of appointment.</p> <p>(2) A person is qualified for appointment as the chief executive officer if that person—</p> <ul style="list-style-type: none"> (a) is a citizen of Kenya; (b) holds at least Master's degree from a university recognized by the law in Kenya; (c) has at least ten years of experience of which five years should be at senior management level in a profession relevant to the functions of the Scheme; (d) is a member of the professional body regulating the relevant profession; and (e) meets the requirements of 	<p>To provide for the staff of the administrator and establish a governance link to the Board of Trustees through the CEO who is the Secretary to the Board.</p> <p>23A (1) There shall be the chief executive officer of the Administrator who shall be appointed by the Board under an instrument of appointment.</p> <p>(2) A person is qualified for appointment as the chief executive officer if that person—</p> <ul style="list-style-type: none"> (a) is a citizen of Kenya; (b) holds at least Master's degree from a university recognized by the law in Kenya; (c) has at least ten years of experience of which five years should be at senior management level in a profession relevant to the functions of the Scheme; (d) is a member of the professional body regulating the relevant profession; and (e) meets the requirements of 	<p>Improve on proposals by COG, CPF, LAPFund and RBA to allow Board discretion to choose the administrator as circumstances may dictate.</p>

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>leadership and integrity set out in Chapter Six of the Constitution.</p> <p>(2) The chief executive officer of the Administrator shall be—</p> <ul style="list-style-type: none"> (a) the Trust Secretary of the Board established under Section 6, including the board of the closed schemes; and (b) the accounting officer of the Scheme, including the closed schemes. <p>(3) The chief executive officer may be removed from office by the Board on such grounds as may be set out in the instrument of appointment.</p>	<p>To raise the penalty for wilful misappropriation of scheme assets.</p>	<p>Allowed. This will deter misappropriations of funds.</p>
6.	48	KPMDU	Amend clause 48 (1) by increasing the jail term to not more than 5 years instead of 3 years		
7.	51	Council of Governors	<p>Amend clause 51 to read—</p> <p>“The Chairperson of the Council of Governors shall in consultation with the Retirement Benefits Authority and all the stakeholders make Regulations generally for the carrying out of any</p>	<p>This will ensure that the Regulations prescribed are implemented effectively at the county level.</p>	<p>Disallowed. It is the Cabinet Secretaries and County Executive Committee Members who make the</p>

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
8.	52	Council of Governors	Clauses 52 (1) (2) & (3) are deleted	provisions of this Act.	regulations.
9.	53	Council of Governors	Delete the clause and replace with the following new clause—	<p>It contradicts the provisions for closure of schemes and the transition period of five years.</p> <p>Traditionally, members of pension schemes have been exempted from NSSF.</p> <p>The High Court suspended NSSF Act to make pensionable employee members of NSSF.</p> <p>Anything short of a complete exemption from NSSF will be too expensive for employees and employers which will hurt employees in the long run.</p> <p>The Public Service Superannuation Scheme Act, No. 8 of 2012 provides for a full exemption.</p>	<p>Disallow. The Clause is in order.</p> <p>Draft a clause on NSSF contributions to one scheme to ensure that employees and employers are protected to ensure that there is no vacuum.</p>
10.	53 & 54	LAPTrust	Delete the clauses proposing to repeal Cap 272 and further proposing to revoke Legal Notice No. 50 of 2007.		<p>Disallow. The provisions of the Retirement Benefits (Minimum Funding Level and Winding-up of Schemes).</p> <p>Disallow. The provisions of the Retirement Benefits (Minimum funding level and winding up of schemes) have been catered</p>

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
11.	54	COG	Amend clause 54 (1) by deleting the term "Cabinet Secretary" and substituting therefor with the word "Chairperson".	To align to the Constitution.	for under the Bill.
		CPF	<p>Amend the Bill by inserting a new clause 54A to read—</p> <p>54 (1) All permanent and pensionable officers and staff employed by a county government shall from the commencement of the County Governments act, No. 17 of 2012 subscribe to the County Pension Fund in accordance with section 132 of the County Government Act.</p> <p>(2) The County Pension Fund is the successor of Laptrust (Umbrella) Retirement Fund previously established and registered under Trust Deed and Rules under Retirement Benefits Authority Certificate of Registration No. 01305.</p> <p>(3) All rights, obligations, assets</p>	<p>Disallowed.</p> <p>Disallowed. This is legislating for a private entity.</p>	

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>and liabilities of the Laptrust (Umbrella) Retirement Fund existing on the date of the coming into operation of this Act shall inhere to the County Pension Fund.</p> <p>(4) Gratuity for all contract staff and officers in the service of a county government shall be managed in an individual pension scheme established for that purpose by the trustees of the closed pension scheme.</p>		
12.	Inclusion of new clause	CPF	<p>The Bill is amended by introducing the following new clauses immediately after clause 54—</p> <p>54A (1) The administrator provided for under section 25 of this Act shall be the administrator registered under the Retirement Benefits Act as CPF Financial Services under Certificate of Registration Number RBA/A/15/031.</p> <p>(2) On the commencement of this Act—</p> <p>(a) the shareholding of the administrator shall be</p>	Disallowed	

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>apportioned to the three schemes in proportion to their asset value in line with the Retirement Benefits Act and other relevant law;</p> <p>(b) any assets previously used by in-house administration shall upon valuation be transferred to the administrators and count to the relevant Scheme's shareholding in the administrator;</p> <p>(c) the staff currently administering the current schemes shall be merged to constitute the initial staff of the administrator;</p> <p>(d) the terms and conditions of service of the staff shall to whom this section applies shall neither be varied to the disadvantage nor their accrued benefits interfered with but may only be improved to their advantage;</p> <p>(e) the respective chief executive officers of the administrators of the closed schemes shall be interviewed by the Board and the most suitable among them appointed the chief executive officer of the administrator and the others paid off their</p>		

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			remaining salary entitlements, retirement benefits and pensions for the remainder of their terms of service.		
13.	55	Council of Governors and CPF	The Bill is amended by deleting clause 54 (1) and substituting therefor with the following paragraphs — (a) The members of Laptrust (Umbrella) Retirement Fund shall be transitioned into the scheme. (b) All officers and staff employed by a county government shall from the commencement of the County Government Act, No. 17 of 2012 subscribe to the County Pension Fund in accordance with Section 132 of the County Government Act.	To operationalize section 132 of the County Governments Act. County Governments have adopted the County Pension Fund (Laptrust [Umbrella] Retirement Fund as their scheme of choice.	Disallowed
14.			Amend clause 55 (2), (3), (4), (5) and (6) as follows— The Bill is amended in clause 55 (2), (3), (4) and (5) by deleting the words	To align to the County Governments Act and the Attorney General's Legal Opinion dated 24 th December, 2019.	Progressive proposals that will protect the interests of employees

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>“the Local Authorities Provident Fund” wherever they appear.</p> <p>Amend clause 55 (6) by deleting the term “Cabinet Secretary” and substitute therefor with the term “Chairperson”</p> <p>Insert the following clause immediately after clause 55(6)—</p> <p>(6) (A). Gratuity benefits for all contract staff and officers in the service of a county government shall be managed in an individual pension scheme established for that purpose by the trustees of the closed pension scheme.</p> <p>(1) For Purposes of this section—</p> <p>A “Closed Scheme” means a scheme which is closed to new members but which otherwise functions as a normal scheme for its continuing members.</p> <p>“Liabilities” means pension debts owing to a retirement benefits scheme as a result of unremitted contributions, and include the principal or historical pension debt, actuarial deficits, interests and penalties.</p>	<p>The of Cap 272 and LN 50 of 2007 contradicts and conflicts—</p> <p>(a) the procedure for dissolution, winding up and merger of schemes as prescribed under RBA</p>	<p>should be isolated and considered.</p> <p>This to prevent commingling of the assets and liabilities of the schemes.</p>

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>2) On the Commencement of this Act —</p> <p>(a) Local Authorities Pension Trust shall operate as Closed Scheme only and shall operate as such until the last member is paid;</p> <p>(b) Local Provident Fund shall operate as Closed Scheme only and shall operate as such for a period of 5 years or until all their Liabilities are settled by government, whichever is earlier;</p> <p>(c) Any person who immediately before the commencement of this section was a Chairperson or Member of the Board of the Closed Schemes shall continue to serve for the remainder of their unexpired term.</p> <p>(d) During the 10 years transition</p>		

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>period, the Trustees of a Closed Scheme shall, where appropriate, ensure that;</p> <ul style="list-style-type: none"> (i) the arrangements and particulars for amalgamation and transfer, including copies of actuarial reports, in respect of the schemes and other statements taken into account for the purposes of the amalgamation and transfer have been submitted to the Authority; (ii) the Authority is furnished with such additional particulars, or such specific reports by an actuary or auditor, as may be required; (iii) all liabilities of the schemes are collected as provided for under Retirement Benefits Act; (iv) the consent of its members has been 		

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>sought for purposes of transfer to and amalgamation into the County Pension Fund;</p> <p>(v) The written approval is obtained from the Authority to the effect that the requirements of the Retirement Benefits Act have been satisfied.</p>		
15.	56	COG	<p>(1) The Local Authorities Provident Fund shall amalgamate or merge into the County Pension Fund within a five (5) or ten years or upon receipt of the written approval of the authority that the requirements for amalgamation have been obtained or upon settlement of all liabilities, whichever is earlier</p> <p>The Bill is amended in clause 56 (1) by deleting the words "the Local Authorities Provident Fund" appearing immediately after the words "member of the".</p> <p>Delete clause 56 (2) and substitute therefor with the following new clause—</p> <p>(2) The Local Authorities</p>	<p>To align to the County Governments Act and the Attorney General's Legal Opinion dated 24th December, 2019.</p>	Disallowed

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>Pension Trust (Defined Benefits) Scheme shall on the commencement date remain closed funds to new entrants and shall ensure the preservation of all accrued rights of members.</p> <p>Insert the following new subclauses after subclause (3)—</p> <p>(3a). Local Authorities Pension Trust shall operate as a Closed Scheme only and shall operate as such for a transition period of 10 years during which time—</p> <ul style="list-style-type: none"> (a) the arrangements and particulars for amalgamation and transfer, including copies of actuarial reports, in respect of the schemes and other statements taken into account for the purposes of the amalgamation and transfer, have been submitted to the Authority; (b) the Authority is furnished with all additional particulars, or specific reports by an actuary or auditor, as may be required; (c) all Liabilities of the schemes 	<p>Progressive proposals that will protect the interests of employees should be isolated and considered.</p>	

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>are collected as provided for under the Retirement Benefits Act;</p> <p>(d) the consent of its members has been sought for purposes of transfer to and amalgamation into the County Pension Fund.</p>	<p>Amend clause 56 (6) of the Bill by deleting the words “The State Corporations Advisory Committee” appearing immediately before the words “shall within” and substitute therefor with the words “The Council of Governors”.</p> <p>The Council of Governors shall within five years from the commencement of this Act, ensure the implementation of this section.</p>	<p>Allowed, substitute State Corporations Advisory Committee with RBA</p>
16.	CPF		<p>Delete clause 56 (6).</p> <p>Insert the following new clauses after clause 56—</p> <p>Inter-scheme Transition Committee—</p> <p>56A (1) There is established a committee to be known as Inter-scheme Transition Committee composed of</p>	<p>State Corporations Advisory Committee (SCAC) has no technical capacity or mandate to oversee merger and amalgamation of schemes which is under the purview of the Trustees and Retirements Benefits Authority only.</p> <p>Pension schemes are not owned and controlled by the state.</p>	<p>Allowed. Substitute State Corporations Advisory Committee with RBA</p>

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>three trustees from each scheme.</p> <p>(2) The Chairman shall be appointed from the membership of the Committee for a maximum term of two years at each rotation circle.</p> <p>(3) The Committee may meet on a quarterly basis and on such other times as the presiding chairman, the Corporate Administrator, the County Pension Fund and the Closed Schemes may request considering the urgency of any matters to be addressed.</p> <p>(4) The quorum for the conduct of the business of the Committee shall be five members present or by resolution circulated and approved by the number forming a quorum.</p> <p>(5) Any costs incurred or expenses expended by the Committee in the discharge of their duties and responsibilities under this Act shall be apportioned to each of the three schemes equally.</p> <p>(6) A member of the Committee who absents himself from three consecutive meetings of the Committee without written permission from the chairperson</p>	<p>We recommend that a transition Committee be formed by the schemes but be answerable to RBA</p> <p>Allowed, Have equal representation from the existing schemed and a representative from RBA who shall be Chair.</p> <p>The Committee must give quarterly report to the Senate on the transitional process.</p> <p>The Conduct of Interscheme Transition Committee shall be prescribed by regulations.</p> <p>Align with the role of the Retirement Benefits Authority.</p>	

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>of the Committee and is unable or has neglected to provide any reasonable excuse for his absence shall lose his membership in the Board of the Board in the Scheme in which he represents.</p> <p>(7) The meetings of the Committee shall be convened and records kept by the Corporate Administrator at the request of the chairperson of the Committee in accordance with the Regulations made by the Committee.</p> <p>(8) The Committee shall stand dissolved ten years after the commencement date or upon the complete discharge of their responsibilities under this Act, whichever is earlier.</p> <p>(9) The Committee shall present quarterly reports to the Retirement Benefits Authority who shall oversee the implementation of this Act.</p>	<p>Functions of the Inter-scheme Transition Committee</p> <p>56B. The functions of the Inter-scheme Transition Committee shall be to provide for—</p> <p>(a) Consultations between the</p>	

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>schemes and the corporate administrator on matters of common interest between the schemes;</p> <p>(b) Dealing with any differences among the schemes that may arise on transfer of data, assets, liabilities and Members to the County Pension Fund and of employees and administrative assets to the corporate administrator and bringing consensus among the Schemes on areas of common interest or divergence;</p> <p>(c) considering any policies and plans formulated, developed and implemented by the County Pension Scheme, in conjunction with the corporate administrator and the closed schemes to ensure a smooth transition to a Umbrella pension scheme in accordance with this Act, the County Pension Fund Act and the Retirement Benefits Act;</p> <p>(d) receiving reports from the corporate administrator on the progress of implementation of the County Pension Scheme, any</p>		

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>agreement between the closed schemes and the County Pension Fund, and particularly on the implementation of the following—</p> <ul style="list-style-type: none"> (i) the transfer of human resources and their accrued benefits and rights to the corporate administrator in accordance with this Act; (ii) the transfer of such assets as may be required for the effective functioning of the resources transferred under paragraph (i); (iii) the audit, valuation and verification of assets and liabilities of the closed schemes, and settlement of the liabilities to the closed schemes by their sponsors; and (iv) approve hiring of consultants to facilitate studies and oversee merger and amalgamation of the 		

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
17.			(e) Consultation for the proper implementation subsection (2) (d).	This was a transitional provision for the county governments which has been spent	Disallowed. The Bill amends Section 132 of the County Governments Act, 2012
	LAPFUND		Insert a new subclause amending the County Governments Act to read— “Section 132 of the County Governments Act, 2012 is deleted”.	To ensure a smooth transition and avoid leaving the closed schemes in limbo.	Allowed for smooth transition.
18.	RBA		Amend clause 56 (3) to read— Subject to subsection (2), the closed funds shall continue to pay any pensions and benefits as and when they fall due for a maximum period of five years from the commencement date.	Unless the Laptrust DB Scheme is fully funded by the end of the fifth year, we propose that the Laptrust DB Scheme be given a longer lifeline as opposed to the counterparts, until the last member is paid.	The cost of paying pension from the scheme is expected to be cheaper than

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			Provided that Local Authorities Pension Trust (Defined Benefits) Scheme, shall continue to pay its members until the last member is paid or until the death of the last member, with an option to outsource pension payment (annuity) where it is deemed more efficient than making payments from the scheme.	The DB Scheme has a promised guaranteed pension based on a formula. Transferring benefits to another scheme which provides a different structure may compromise (by depleting) the accrued benefits of the members.	
19.	RBA		Delete clause 56 (6)	SCAC has no role when it comes to retirement benefits	Allowed
20.	Ministry of Labour and Social Protection		What happens to those who are not due for retirement—	Additionally, part of the transitional clause should direct that all previous schemes that collected contributions from the County workers should be subjected to a thorough forensic audit by the Auditor-General as read with the Sixth Schedule to the Constitution.	Management of liabilities owed to NSSF and other schemes by the employer should be considered by this Bill.

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
21.	57	CPF	Insert the following new paragraphs under clause 57— The liabilities of the closed schemes shall be resolved and settled by the national and county governments through budgetary allocations and other appropriate instruments. Provided however that all the liabilities shall be cleared within a maximum period of six years as provided under the Retirement Benefits Act.	To address the huge pension contribution debts resulting from default by the local authorities to remit contributions to the closed schemes. Notably, local authorities are now defunct, thus the challenges on which level of government shall be responsible for the said liabilities.	Allowed for purposes of settling debts
22.	58	CPF	Amend the Bill to increase the transition period to 10 years or upon payment of all liabilities of the schemes.	Government may not be able to settle all liabilities within five years, thus the need to increase the transition period to ten years.	Consult RBA on timelines
23.	Schedule	Kenya National Union of Nurses	Amend paragraph 2 (2) by deleting the word “one” and inserting the word “three”.	This is in tandem with the general RBA regulation of 50% workers representatives, if the quorum is six then one half should be workers representatives.	Deal with the composition of the board
PROPOSED NEW CLAUSES TO THE BILL					
24.	Inclusion of new transition	Council of Governors	(1) Notwithstanding any other provision of this Act or any other written law, Local Authorities Pensions Trust (Laptrust) and Local Authorities Provident Fund (Lapfund) shall upon	The transition will enable Provide a clear framework for closure of Laptrust (DB) and Lapfund to new entrants in line with the recommendations of the Technical	Disallowed, Already dealt with.

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
	provisions		the commencement of this Act become Closed Schemes for the benefit of their existing members only.	Committee.	
25.		Council of Governors	(2) The Closed Schemes shall exist alongside the County Pension Fund established under the County Pension Scheme Act, 2017 until such time that the last Member, Contributor or Beneficiary of the Closed Schemes is paid off or transfers to the County Pension Fund at the end of ten-year transition period under this Act.	All the employees of the defunct local authorities were appointees of the Public Service Commission, thus employees of the National Government hence the National Government was responsible for remuneration (including pension) of the employees of the defunct local authorities.	Already considered earlier on.
26.	Include a clause on liabilities	RBA	Include a provision for a Sharia Compliance/Supervisory Committee consisting of 3 to 5 members.	The Bill does not recognise or take into consideration the Sharia laws and some of the county governments or associated organisations have majority of staff who profess the Muslim religion.	Disallowed. This is an administrative function.

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		CPF	<p>Insert clause 15A to read—</p> <p>15 A (1) Notwithstanding the committees provided for under section 15, the Board shall appoint a Shariah Supervisory Committee which shall consist of a minimum of three and a maximum of five members.</p> <p>(2) The quorum for the conduct of the business of the committee shall be two members or by resolution circulated and approved by the number forming a quorum.</p> <p>(3) The membership of the committee shall be drawn from the most renowned Muslim scholars with sufficient expertise and integrity in the management of a sharia compliant pension scheme.</p> <p>(4) The mandate of the Shariah Supervisory Committee shall be to—</p> <ul style="list-style-type: none"> (a) advise the Board on the requirements of Shariah law in respect to Sharia compliant pension schemes to ensure that at all times, the Board is managed and invested in a Sharia compliant manner; and (b) monitor and supervise the 	<p>For the benefit of their respective members of wish to have their pension invested in a Shariah compliant manner.</p> <p>Notably, the Shariah compliant funds of both schemes have recruited substantial membership who must be catered for in the Bill.</p>	

NO	CLAUSE	STAKE HOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			management and investment of Shariah compliant sub-fund to ensure that the same is Shariah compliant.		

MINUTE SEN/SCLSW/086/2019: ANY OTHER BUSINESS AND ADJOURNMENT

There being no other business the meeting was adjourned at 5.30 pm.

SIGNATURE.....



(CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE.....
23rd July 2019

**MINUTES OF THE 16TH MEETING OF THE STANDING COMMITTEE ON
LABOUR & SOCIAL WELFARE HELD ON MONDAY, 6TH MAY, 2019 IN THE
BARAZA CONFERENCE CENTRE, WHITESANDS BEACH HOTEL AND
RESORT FROM 9.30 AM**

MEMBERS PRESENT

1. Sen. Sakaja Johnson Arthur, CBS	-Chairperson
2. Sen. (Dr.) Milgo Alice Chepkorir	-Vice Chairperson
3. Sen. Poghisio Samuel Losuron, EGH	-Member
4. Sen. (Dr.) Mwaura Isaac, CBS	-Member
5. Sen. Makori Beatrice Kwamboka	-Member
6. Sen. Lokorio Petronila Were	-Member
7. Sen. (Dr.) Inimah Gertrude Musuruve	-Member

ABSENT WITH APOLOGIES

1. Sen. Madzayo Stewart Mwachiru	-Member
2. Sen. Cherarkey Samson Kiprotich	-Member

SENATE SECRETARIAT

1. Ms. Mwanate Shaban	-Clerk Assistant
2. Ms. Kavata Musyoka	-Clerk Assistant
3. Mr. Jeremy Chabari	-Legal Counsel
4. Mr. Douglas Mbuvu	-Security officer
5. Ms. Diana Munene	-Secretary
6. Ms. Josephine Galsaraco	-Office Assistant
7. Mr. Stephen Nyakuti	-Audio Officer

MINUTE SEN/SCLSW/079/2019: PRELIMINARIES

The Chairperson called the meeting to order at 9.30 am followed by a word of prayer.

MINUTE SEN/SCLSW/080/2019: ADOPTION OF THE AGENDA

The agenda of the meeting was unanimously adopted as consideration of amendments to the County Governments Retirement Scheme Bill, 2018.

**MINUTE SEN/SCLSW/081/2019: CONSIDERATION OF THE AMENDMENTS
TO THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL, 2018 (NA
BILL NO. 10 OF 2018);**

The Members considered the amendments as listed and made resolutions as indicated in the matrix below -

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
1.	1	CPF Financial Services Limited (CPF)	The Act be cited as the County Pension Fund.	To give effect to section 132 of the County Governments Act and to maintain an already established fund.	The resolution on this amendment was postponed to a later meeting
2.	2	County Assemblies Forum (CAF)	<p>Include definition of the term Gratuity and further provide a substantive clause for provision of gratuity to state officers serving in the county governments, payable at the end of each electoral term.</p> <p>Add a subclause 4 (3) (e) to include Gratuity</p> <p>The definition of member does not provide for members of county assembly, governor, deputy governor, and county executive committee members.</p>	<p>This will ensure the provision of gratuity is anchored in law for consistency and prosperity.</p> <p>This provides a pension for long serving members, similar to what members of Parliament who serve more than two terms receive.</p>	<p>Disallowed – since it's the mandate of Salaries and Remuneration Commission to determine the remuneration of state officers.</p> <p>Disallowed - The Committee noted the concerns raised by the Members of County Assemblies about their pensions and resolved to do a new different law for</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
	Ministry of Labour and Social Protection	Definition of "Existing Schemes"	The term should be explicitly defined to avoid the confusion of including closed schemes	Disallowed	the MCAs only.
	RBA	Define the term "trivial pension" as used and applied in section 4 (3) (b) of the Bill	The scope is too broad and subject to abuse. This will open a window for abuse. A proper definition with a clear scope is needed.	Disallowed	The Secretariat was tasked to request the RBA to send a definition.
	RBA	Delete the definition of "Associated organisations" wherever it appears	The intention of the Act is to secure retirement benefits for employees of county governments and not other persons outside that bracket.	Disallowed	
		The definition of "associated organisations" tends to include any other persons providing service to the county governments that may choose to participate.			

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		Speaker, Nairobi County Assembly.	The definition of existing schemes should be amended to read as follows— “existing schemes” mean Laptrust (Umbrella) Retirement Fund.		Disallowed The legislation is not for a particular entity
		Council of Governors	The definition of Cabinet Secretary is deleted. The following definition is inserted in the proper alphabetical sequence— “Chairperson, Council of Governors”	Setting up of pension schemes for County Governments is a function of the County Governments under the Constitution. Cabinet Secretary, National Treasury has no role in a pension scheme for counties	Disallowed – since the Council of Governors are not the employers of employees serving in the County governments.
			Scheme should be defined to mean the County Pension Fund established under this act	Operationalize section 132 of the County Governments Act by anchoring the existing County Pension Fund (Laptrust Retirement Fund)	Disallowed

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>Amend the definition of the term “administrator” to read- “administrator” means a retirement benefit scheme administrator jointly established by the closed schemes and the county pensions Fund Scheme in accordance with the Retirement Benefits Act</p> <p>Inclusion of a definition of “closed scheme” to read-</p> <p>“closed scheme” means the Local Authorities Pension Trust established under Legal No. 50 of 2007</p>	<p>The administrator is intended to merge administration of the three schemes without commingling assets.</p>	<p>The amendment to be reviewed later.</p>
3.	3	CPF	<p>a) Paragraph (a) be deleted and the following new paragraph be substituted thereof –</p> <p>(a) provide for the adoption of an existing pension scheme pursuant to section 132 of the County Governments Act;</p> <p>b) Insert the following new paragraphs immediately after paragraph (f) –</p> <p>(g) use a joint corporate administrative framework to</p>	<p>Local Authorities Pension Trust is a Defined Benefits and the global practice is to move away from Defined Benefits Schemes.</p> <p>The County Pension Fund has already been adopted by counties as their scheme of choice.</p>	<p>To be reviewed later</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			administer the scheme herein established and the closed scheme; and		
			(h) provide for the closure of Local Authorities Provident Fund and the Local Authorities Pensions Trust to new members;	Allowed	
			(i) provide for the transition period to a uniform, inclusive county pension scheme.	Allowed	
4.	RBA	Ministry of Labour and Social Protection	Insert the following new object and purpose— “Protect the benefits of employees of county governments”	This object and purpose is fundamental to any scheme.	Allowed
5.	4	RBA	Interchange section 3 (1) (b) and (c) Review section 3(d) to read— “establish rules, regulations, and standards for the administration and management of the scheme;”		Disallowed
			Amend the introductory part of clause 4 (2) to read—	Retirement benefits schemes are established under	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>The Scheme is established under statutory trust which shall be vested in, operated and managed by the Board.</p> <p>The Board shall, by that name be a body corporate with perpetual succession and a common seal, and may in its corporate name be capable of—</p>	<p>Establishing it as a body corporate makes it a state corporation; which makes the operations and management of the scheme subject to the State Corporation Act.</p> <p>The Board can be established as a body corporate, which will have the perpetual succession, common seal and act as a corporate as opposed to being individuals.</p>	<p>statutory trust or under irrevocable trust declared in the Trust Deed and Rules.</p> <p>Allowed</p>
		<p>Speaker, Nairobi County Assembly.</p>	<p>Inclusion of a new subclause 4 (3a) to read—</p> <p>For purposes of this Act, the Scheme shall be the Laptrust (Umbrella) Retirement Fund, established and registered by the Retirement Benefits Authority under Certificate No. 01305.</p>	Disallowed	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		CPF Financial Services Limited (CPF)	<p>Delete clause 4 (1) and insert the following new clause 4 (1) therefor—</p> <p>(1) There is established the County Pension Fund which shall be administered by the Board in accordance with this Act, the Retirement Benefits Act and the Regulations thereunder;</p> <p>By deleting sub clause (2) and substituting therefor with the following new paragraphs—</p> <p>(i) The Scheme is established as an irrevocable statutory trust and shall vest in, operated and managed by the Board.</p> <p>(ii) The Scheme is an umbrella pension scheme for all county governments and their employees.</p> <p>(iii) The Scheme is the successor to the Laptrust (Umbrella) Retirement Fund previously established and registered under Trust Deed and Rules under Retirement Benefits Authority Certificate Registration no. 01305.</p>	<p>This is to specifically meet the requirements of section 132 of the County Government's Act, 2012.</p>	Disallowed

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			By deleting the marginal note and substituting therefor with the following new note—		Disallowed
		Council of Governors	Establishment of the County Pension Fund		
	LAPFUND	Add a new paragraph after clause 4 (3) (c) to read— (ca) gratuity	Delete clause 4 (1) and insert the following new clause 4 (1) therefor— (1) There is established the County Pension Fund which shall be administered by the Board. (2) The Scheme is an umbrella pension scheme for all persons in service in the County Governments. (3) The Scheme is a statutory trust and the successor to the Laptrust (Umbrella) Retirement Fund previously established and registered under Trust Deed and Rules under Retirement Benefits Authority Certificate Registration no. 01305.	This is pursuant to section 132 of the County Governments Act which provides that officers and staff of a county government shall subscribe to an existing pension scheme for officers and staff of local government.	Disallowed

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			Add a new clause (3a) to read— (3a) The Scheme shall be the successor to the Local Authorities Provident Fund previously established under Cap 272, Laws of Kenya.	The Report of the Presidential Taskforce on Parastatal Reforms and the Report of the Commission on Implementation of the Constitution, advised on enactment of an Act of Parliament to transition LAPFUND to manage retirement benefits for county workers.	Disallow
6.	5	RBA	Include the definition of “County Public Officer” to read— “an individual performing a function within a county government”. Delete the word “may” and replace with “shall”	Define the term “county public officer” for purposes of clarity. The use of the word “may” implies that the Board has the option of admitting a person into the scheme, without necessarily under the auspices of the sponsor.	Improve on the definition

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		Ministry of Labour and Social Protection	Membership of the scheme should be limited to employees of County Governments and Associated Institutions (Associated Institutions must be clearly defined considering that this is an occupational scheme created solely to take care of the county workers).	not individuals, as such all members of the scheme become members through the scheme.	Disallow
7.	6	County Assemblies Forum (CAF)	Amend clause 6 (3) to state that the umbrella body for County Assemblies to nominate the three members from the County Assembly Service Boards.	The County Assemblies are capable of coordinating their activities, and have been doing so since inception to the extent of forming a central body even where statute is yet to form one.	Disallow
			Amend clause 6 (4) to ensure that the Vice Chairperson is of the opposite gender	The umbrella body representing the 47 County Assemblies should be allowed to conduct the meeting to nominate three members of the County Assembly Service Board	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
				The County Assemblies are capable of congregating and electing their representatives. In cases where there is conflict in electing the representatives from county assemblies for the Board, the Speaker of the Senate shall have the presiding right to appoint the representatives.	
LAPFUND	Delete clause 6 (2) (h) and substitute with the following— (h) The chief executive officer shall be an ex-official member of the Board with no voting rights.			It will align the Bill to the best corporate governance practice prescribed under the Mwongozo Code of Governance for State Corporations	This is to separate the role of the CEO as the one responsible for recording Board resolutions and implementing them at the same time. It will align the Bill to the best to the best corporate governance practice prescribed under the Mwongozo Code of Governance for State

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
	RBA		Amend clause 6 (2) (f) by replacing the words "three representatives" with the words "a representative".		Corporations
			Rephrase clause 6 (2) (g) as follows— "Four persons nominated by the most representative trade union Boards representing County Public Servants, two of whom shall be of the opposite gender".	RBA Act provides for a maximum of 9 Trustees. Regulation 8 (10) (i) (c)	
			"A defined contribution scheme shall not have less than four and not more than nine trustees and the number of trustees shall not be less than a half of the Board of trustees unless the scheme has appointed a corporate trustee".	"A defined contribution scheme shall not have less than four and not more than nine trustees and the number of trustees shall not be less than a half of the Board of trustees unless the scheme has appointed a corporate trustee".	
			The member representation as listed is less than half of the Board.		
			The County Assembly Service Boards perform the role of a "Sponsor" in the county governments. They		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			are equated to the Parliamentary Service Commission.		
		Kenya National Union of Nurses (KNUN)	<p>Amend clause 6 (2) (h) to read- “The chief executive officer appointed under section 18, shall be the secretary to the Board with no voting rights at the meetings of the Board”.</p> <p>Amend clause 6 (2) (f) by deleting the word “three” and inserting the word “a”.</p> <p>Amend clause 6 (2) (g) by deleting the word “two” and inserting the word “five”.</p> <p>Insert the words “most representative trade unions” after the words “nominated by”.</p> <p>Delete the word “boards” after the word “servant” then delete word “one” after the coma and insert the word “two”</p>	<p>The current clause does not expressly state that the chief executive officer has no voting rights therefore giving the chief executive officer the same status as the other trustees. There is need to clarify this position to avoid future conflicts</p> <p>According to the RBA Regulations in a Defined Contribution Scheme, members get up to 50% of the Trustees in order to safeguard the interests of the workers through their trade unions.</p> <p>RBA Regulations require workers to be represented at the rate of 50% in the Board of Trustees.</p>	
			Delete subclauses (2) and (3)	The subclauses contradict	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			clause 6 (7).	Trade unions are supposed to be independent as provided under section 14 (1) (h) the Labour Relations Act.	
		Kenya Medical Practitioners Pharmacists and Dentists' Union (KMPDU)	COG is not a constitutional body established as an employer so as to qualify as a sponsor.	Trade unions represent workers while County Public Service Boards are the sponsors.	
		Delete paragraph (e)	The clause is vague. Employees can only engage employers through		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		Speaker, Nairobi County Assembly.	Delete clause 6(2) (a) and substitute with the following— The Chairperson shall be appointed by the Board from amongst the Trustees in (d), (e), (f) and (g).	trade unions recognised in law.	
			Delete clause 6 (2)	The Board should be independent from national treasury's regulatory role which is discharged through Retirement Benefits Authority.	It is proper for Principal Secretary, Devolution to sit in the Board, because of the role of the ministry in coordinating devolution at the national level.
	CPF		Delete clause 6 and substitute with the following— 6 (1) There is established the Board of Trustees for the scheme which is a corporate body with perpetual succession and a	To reinstate the major position adopted by the Senate in 2017 under the County Pension Scheme Bill. To properly align with the	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>common seal and is in its corporate name capable of—</p> <ul style="list-style-type: none"> (a) suing and being sued; (b) taking, purchasing or otherwise purchasing, holding, charging and disposing of movable and immovable property; (c) entering into contracts; <p>(2) The Board comprise of the following trustees appointed by the Cabinet Secretary—</p> <ul style="list-style-type: none"> (a) a representative of the Council of Governors; (b) two representatives of the County Public Service Boards; (c) a representative of the County Assembly Service Boards; (d) five other nominees from the county governments nominated from the three most representative employee unions, two of whom shall be of the opposite gender on one part and one 	<p>To ensure that the Board is independent.</p> <p>To ensure that a state corporation is not created out of members' funds.</p>	<p>Constitution and the Retirement Benefits Act.</p> <p>Counties are employers and should thus manage their own pension matters for their employees.</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>representative from the persons with disability.</p> <p>(3) The chief executive officer who shall be the Secretary to the Board.</p> <p>(4) A chairperson shall be elected by the trustees from amongst the trustees set out under subsection (2).</p> <p>(5) The Cabinet Secretary shall formally appoint the nominees forwarded under subsection (3) by notice in gazette.</p> <p>(6) The nomination and appointment of trustees shall be carried out in the manner prescribed in the First Schedule.</p> <p>(7) The chief executive officer shall be an ex-officio member of the Board with no rights to vote at a meeting of the Board.</p>		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		Council of Governors	Delete clause 6 (2), (4), (5) and (6) and substitute therefor with the following new clauses—	The Board as presently constituted under the Bill is typical of state corporation.	
			(2) The Board shall consist of the following members—	No national government state corporation should be established over pension funds for county governments' employees.	
			(a) two representatives of the Council of Governors;	Proper governance practice requires that Trustees appoint the chairperson from amongst themselves.	
			(b) a representative of the County Public Service Boards;		
			(c) the chief executive officer of the administrator who shall be the Secretary to the Board;		
			(d) five representatives of the five most representative recognised trade Unions, two of whom shall be of the opposite gender.	There is need to ensure Cooperation and interdependence in the running of the Scheme with the Counties allowed to supervise the running of the scheme without interference.	
			(3) Chairperson of the Board shall be elected by trustees from among their number.		
			(5) The Chairperson, Council of Governors shall ensure that not more than two thirds of Members of the Board are of the same Gender.		
	Delete clause 6 (4)		Not necessary.		
			Not common practice		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			Amend clause 6 (6) to read— The appointment of Trustees under subsection (2) shall be vider a resolution of the Council of Governors and gazetted by the Chairperson.	Pension is an employment function exclusive to county governments.	
8.	Ministry of Public Service, Youth and Gender Affairs	Ministry of Public Service Boards be nominated by the County Public Service Boards.	Amend clause 6 (2) to allow for the representative of County Public Service Boards be nominated by the County Public Service Boards.		
9.	Ministry of Labour and Social Protection	Ministry of unions will provide the two representatives and what will be the criteria.	Section 6 (2) (g) – define clearly which Amend section 6 (2) (h) to read— “the Chief Executive Officer appointed under section 18 who shall be an ex-officio member and secretary to the Board”.	From the reading of section 6 (2) (d) together with section 9, it is not clear who the person from the COG will be and the implications therein.	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			There is need to clearly identify whether the employer in County Governments is the County Assembly Service Boards or the County Public Service Boards. How shall they be nominated and by who?		
6	6 (4)		Section 6 (4) renders part of section 6 (5) redundant.		
10.	7	KPMDU	Further, going by past experience, the nomination in section 6 (2) should be made explicit in the substantive Act. Leaving it to regulations could be subject to abuse. We propose further consideration of section 6 (5).	The Bill is silent on quorum. This may affect the affairs of the Board and the Scheme in general.	Amend clause 7 (e) to read— Notwithstanding the generality of clause 7 (c) (v), nominees by trade unions and workers who meet the requirements in clause 7 (a) (b) and (d) may not be disqualified from appointment merely on account of clause 7 (c)

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
11.	8	RBA	<p>Amend clause (8) (c) by inserting the words "Retirement Benefits Act and" immediately after the words "provisions of".</p> <p>Rearranging the current clause as sub clause (1) and inserting the following new subclause—</p> <p>(2) Notwithstanding the provisions of subsection (1), the appointment of any person as a trustee shall be subject to approval by the Authority.</p>	<p>The list is not exhaustive as it does not include other grounds as provided for under the Retirement Benefits Act.</p> <p>The RBA Act also subjects the appointment of trustees to the approval of the Authority, which is not provided for in this Bill.</p>	
12.	9	KNUN	<p>Amend clause 9 (1) to increase the tenure of office of a Trustee to five years.</p>	<p>Trustees should have enough time in office to ensure that they lay down their strategic plan and implementation. If adequate period is not accorded, it will create an avenue for intimidation and manipulation.</p> <p>Insert the following new sub clause in clause 9—</p> <p>(4) Upon the commencement of this Act, the Trustees shall be appointed within ninety days in accordance with</p>	<p>If the Board is not established in the shortest time possible, it will create a vacuum and confusion.</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			the provisions of this Act.		
13.	10	RBA	Amend clause 10 (1) (e) by deleting the word “three” appearing immediately after the words “absence from” .	The Retirement Benefits (Occupational Regulations) provide for a trustee being absent from two consecutive meetings. Comply with RB Act. There is need for compliance with the RBA act and standardization.	
14.	10, and 12	Council of Governors	Delete the term “Cabinet Secretary” in clauses and substitute therefore with the— “The Chairperson of the Council of Governors”	Setting up of pension schemes for County Governments is a function of County Governments under the Constitution.	Indeed, public sector pension schemes such as KRA, CBK, Kenya Pipeline, Kenya Power and Kengen, it is the management (employer) that establishes the scheme and chooses the trustees.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
				Ministries do not interfere.	
15.	12	County Assemblies Forum (CAF)	Amend the clause to provide timelines on the duration after the vacancy has been declared and reappointment of a new trustee to the committee	The full Council will therefore make recommendations for the chairman of the Council of Governors to effect.	
16.	14	CPF	<p>a) Sub-clause (3) be deleted and the following new sub-section be substituted therefor –</p> <p>(3) Appoint a Custodian and Fund Manager, jointly with other schemes within the county government sector incorporate, or invest in the Corporate carry out their functions as specified in the Retirement Benefits Act after the five year transition period.</p> <p>(b) Sub-clause (4) be amended by deleting the words “Chief Executive Officer or employees of the scheme”</p>	<p>To ensure that the proposed scheme is administered through an external/corporate administrator appointed by the Board and regulated by the Retirement Benefits Authority. This is to avoid confusion in the implementation of the Act during the transition from the old schemes to one umbrella scheme for all counties after five years.</p>	

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			and substituting therefor the words “Trust Secretary and employees of the corporate administration”.		
	Ministry of Labour and Social Protection	Section 14 (3) (c) as read with section 39— The role to be played by reserves is not clear as this is a defined contribution scheme.	A member should get maximum return for the years earned. A reserve may attract abuse.		
17.	16	RBA	Insert subclause 14 (3) (ka) to read— (ka) establish the administrative and human resource policies and procedures to govern the scheme fund and her employees.	The administrative and human resource policies and procedures will provide in the management of human resource capacity towards achieving of the various goals and objectives of the scheme fund and promoting national values and principles especially as espoused in Articles 10 and 41 of the Constitution.	SRG's mandate is to review the remuneration and benefits of all state officers and other public officers.

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			remuneration or allowance as the Board may determine with approval of the Authority.	The present clause contradicts section 5Ba of the RBA Act which provides for the object and functions of RBA to include-	
			Or The Trustees shall be paid such remuneration or allowance as the Board may determine in accordance with the Retirement Benefits Act and Regulations	“(Ba)approve trustee's remuneration approved by members during the annual general meeting after every three years”	
18	18	RBA	Include a sub clause (7) to read— The Chief Executive Officer shall be appointed for a term of four years and shall be eligible for re-appointment for one further final term of four years based on satisfactory performance.	Further this being a trust, the Board of Trustees ought to be an act independent of the Sponsor	The term of the CEO cannot be open ended, good governance practices encourage term limits.
		LAPFUND	Amend clause 18 (7) to provide for a definite term of the chief executive officer.		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
		Ministry of Labour and Social Protection	Section 18 (3) (b)— Specific academic qualifications for the CEO should be stated.		
19.	18 and 19	CoG, CPF & The Local Authorities Pension Trust (LAPTrust	Clauses 18 and 19 be deleted	RBA Act gives discretion to the Trustees to appoint an administrator of their choice without interference Clause 18 and 19 conflict with clause 23.	
20.	23	Council of Governors and CPF	Delete clause 23 in its entirety and substitute therefor with the following new clause 23—	<p>(1) There shall be an administrator of the Scheme registered for that purpose under Section 25A of the Retirement Benefits Act.</p> <p>(2) The Administrator which shall be jointly owned by the Scheme established under this Act and all the Closed Schemes.</p> <p>(3) The Administrator shall discharge functions delegated to it by the Board through an instrument of appointment. Without prejudice to the generality of the foregoing, the</p>	<p>To allow the Board to exercise their discretion to appoint an administrator as required under the RBA ACT and the law of Trusts. The best practice for multiple schemes is through an administrator registered by RBA with shares shared amongst all schemes.</p> <p>Currently, the County Pension Fund and Laptrust DB are administered by CPF Financial Services, an</p>

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
21.	23	RBA	<p>functions of the Administrator shall be—</p> <p>(a) discharge all administrative functions of the Scheme in accordance with the Retirement Benefits Act and the Regulations thereunder; and</p> <p>(b) provide such other additional services as may be delegated to it by the Board under the instrument of appointment.</p> <p>(4) The Administrator shall have all the powers necessary for the proper performance of its functions under the Retirement Benefits Act and the regulations therein.</p>	<p>functions of the Administrator shall be—</p> <p>(a) discharge all administrative functions of the Scheme in accordance with the Retirement Benefits Act and the Regulations thereunder; and</p> <p>(b) provide such other additional services as may be delegated to it by the Board under the instrument of appointment.</p> <p>(4) The Administrator shall have all the powers necessary for the proper performance of its functions under the Retirement Benefits Act and the regulations therein.</p>	<p>established and reputable retirement administrator currently valued at Kshs. 1 Billion.</p> <p>CPF Financial Services may be used in the transition period to administer all the schemes subject to suitable restructuring.</p>
21.	23	RBA	<p>Insert subclause (3) to read—</p> <p>The person appointed as chief executive officer of the scheme under section 18 (1) shall be the administrator to the scheme.</p> <p>The administrator shall be an employee</p>	<p>It is not clear what the role of the CEO/Trust Secretary will be vis a vis the role of administrator.</p> <p>To avoid duplication of roles, the CEO may also serve as the administrator to the scheme.</p>	<p>Therefore to offer</p>

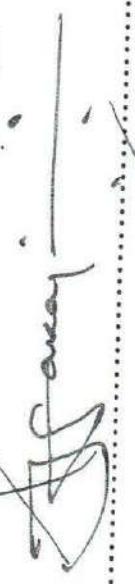
NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			of the Board.	secretarial and administration services to the Board and will be in charge of the other employees (secretariat) of the scheme.	If this is the case, clause 18 will need to be implemented so that the CEO is not part of the Board of Trustees, but only as a Trust Secretary to the Board.
LAPFUND			Insert a new subclause (4a) to read— (4a) The person appointed as the chief executive officer of the Scheme under clause 18 (10) shall be the administrator of the Scheme	There is need to reconcile provisions of clauses 6(2) (h), 18 and 23.	The Bill advocates for internal administration of the Scheme. To avoid duplication of roles, the chief executive officer will also serve as the administrator of the scheme.
22.	Inclusion of new clause 23A	CPF	Insert the following new clause— 23A (1) The Board of Directors of the Administrator shall comprise—		Disallowed

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			<p>(a) at least one person appointed by Local Authorities Provident Fund Board;</p> <p>(b) at least one person appointed by Local Authorities Pensions Trust Board;</p> <p>(c) at least one person appointed by the County Pension Fund Board;</p> <p>(d) one person appointed by County Public Service Boards Forum;</p> <p>(e) two independent members possessing technical expertise in the pensions industry or any other profession appointed by the Council of Governors from the relevant professional bodies representing members in the three schemes;</p> <p>(f) the chief executive officer of the corporate administrator;</p> <p>(g) one member appointed by the Cabinet Secretary.</p> <p>(2) The board of the Corporate Administrator shall elect a chairperson from among their number.</p> <p>(3) The Board Members shall have a minimum of seven years' experience in the following areas of expertise—</p>		

NO	CLAUSE	STAKEHOLDER	PROPOSED AMENDMENT	JUSTIFICATION	COMMITTEE RESOLUTION
			(a) investments; (b) human resource and pensions; (c) finance; (d) law; and (e) communication or engineering.		

MINUTE SEN/SCLSW/082/2019: ANY OTHER BUSINESS AND ADJOURNMENT

There being no other business the meeting was adjourned at 1.30 pm.



SIGNATURE.....

(CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE..... 23rd July 2019



**MINUTES OF THE 15TH MEETING OF THE STANDING COMMITTEE ON
LABOUR & SOCIAL WELFARE HELD ON SUNDAY, 5TH MAY, 2019 IN THE
BARAZA CONFERENCE CENTRE, WHITESANDS BEAH HOTEL AND
RESORT FROM 3.00 PM**

MEMBERS PRESENT

1. Sen. Sakaja Johnson Arthur, CBS	-Chairperson
2. Sen. (Dr.) Milgo Alice Chepkorir	-Vice Chairperson
3. Sen. Poghisio Samuel Losuron, EGH	-Member
4. Sen. (Dr.) Mwaura Isaac, CBS	-Member
5. Sen. Makori Beatrice Kwamboka	-Member
6. Sen. Lokorio Petronila Were	-Member
7. Sen. (Dr.) Inimah Gertrude Musuruve	-Member

ABSENT WITH APOLOGIES

1. Sen. Madzayo Stewart Mwachiru	-Member
2. Sen. Cherarkey Samson Kiprotich	-Member

SENATE SECRETARIAT

1. Ms. Mwanate Shaban	-Clerk Assistant
2. Ms. Kavata Musyoka	-Clerk Assistant
3. Mr. Jeremy Chabari	-Legal Counsel
4. Mr. Douglas Mbuvu	-Security officer
5. Ms. Diana Munene	-Secretary
6. Ms. Josephine Galsaraco	-Office Assistant
7. Mr. Stephen Nyakuti	-Audio Officer

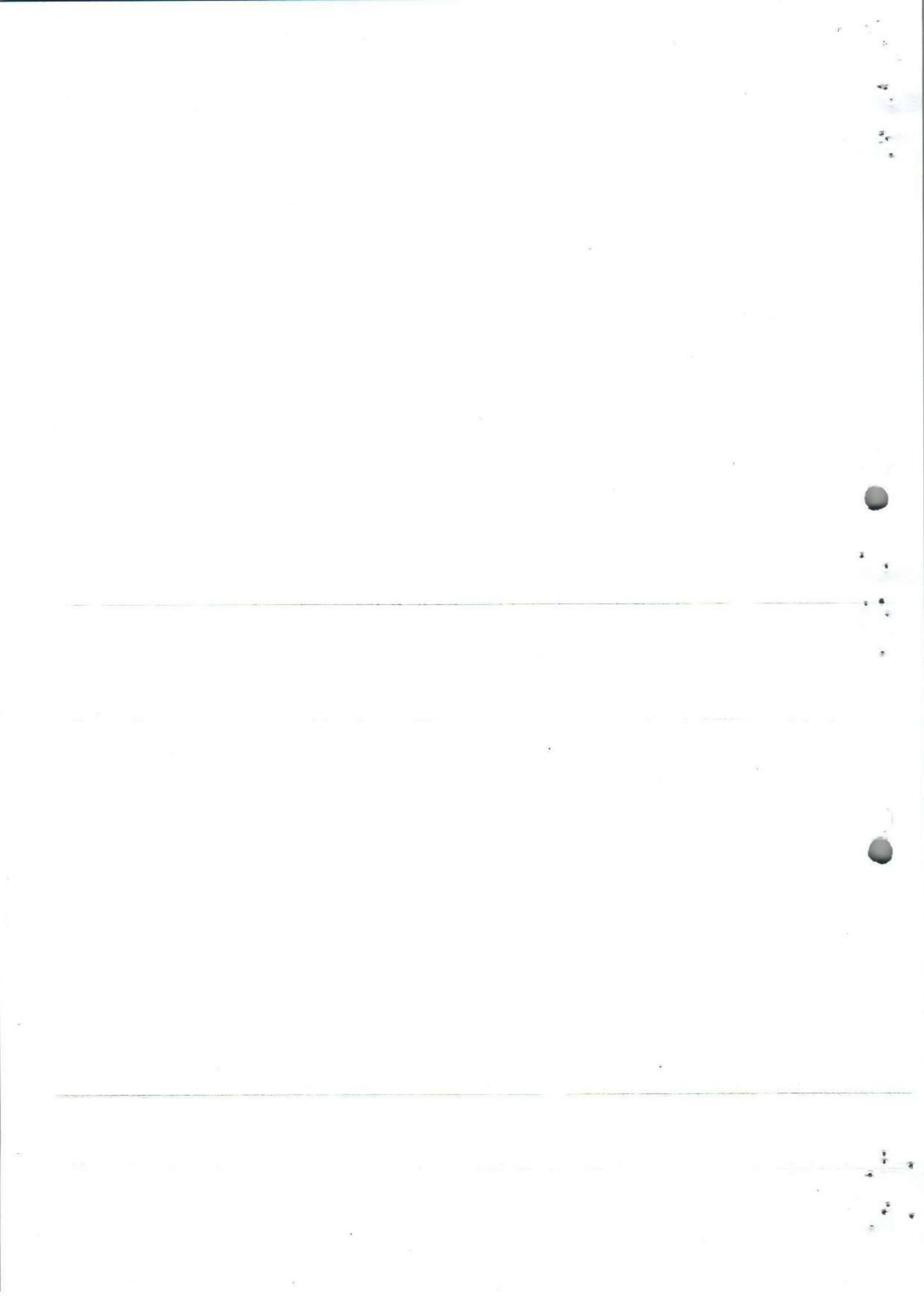
MINUTE SEN/SCLSW/075/2019: PRELIMINARIES

The Chairperson called the meeting to order at 3.20 p.m. followed by a word of prayer.

MINUTE SEN/SCLSW/076/2019: ADOPTION OF THE AGENDA

The agenda/ program of the retreat was adopted with the following amendment after being proposed by Sen. Petronila and seconded by Sen. Musuruve –

- i) The Committee resolved to confirm the minutes first then start with the County Government Retirement Scheme Bill, 2018 (NA Bill No. 10 of 2018) before moving the County Hall of Fame and the Persons with Disabilities Bills the following day.



Sen. Mwaura registered his minority opinion that the Committee should follow the program as scheduled and deal with the County Hall of Fame and the Persons with Disabilities Bill.

MINUTE SEN/SCLSW/077/2019: CONSIDERATION OF THE AMENDMENTS TO THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL, 2018 (NA BILL NO. 10 OF 2018);

After ensuring that each Member had a copy of all the submissions received by the Committee on the Bill, the Chairperson ruled that the meeting be adjourned to give members time to internalize the submissions in readiness for consideration of the amendments.

Sen. Mwaura maintained his position that the Committee should consider the matrix of amendments as prepared by the secretariat.

The Committee then resolved to adjourn and meet at 9.00 am to consider the amendments.

MINUTE SEN/SCLSW/078/2019: ANY OTHER BUSINESS AND ADJOURNMENT

There being no other business the meeting was adjourned at 4.20 pm.

SIGNATURE..... 
(CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE..... 21ST MAY 2019



**MINUTES OF THE 14TH MEETING OF THE STANDING COMMITTEE ON
LABOUR & SOCIAL WELFARE HELD ON SUNDAY, 5TH MAY, 2019 IN THE
BARAZA CONFERENCE CENTRE, WHITESANDS BEAH HOTEL AND
RESORT, FROM 11.00 AM.**

MEMBERS PRESENT

1. Sen. Sakaja Johnson Arthur, CBS	-Chairperson
2. Sen. (Dr.) Milgo Alice Chepkorir	-Vice Chairperson
3. Sen. Poghisio Samuel Losuron, EGH	-Member
4. Sen. (Dr.) Mwaura Isaac, CBS	-Member
5. Sen. Makori Beatrice Kwamboka	-Member
6. Sen. Lokorio Petronila Were	-Member
7. Sen. (Dr.) Inimah Gertrude Musuruve	-Member

ABSENT WITH APOLOGIES

1. Sen. Madzayo Stewart Mwachiru	-Member
2. Sen. Cherarkey Samson Kiprotich	-Member

SENATE SECRETARIAT

1. Ms. Mwanate Shaban	-Clerk Assistant
2. Ms. Kavata Musyoka	-Clerk Assistant
3. Mr. Jeremy Chabari	-Legal Counsel
4. Mr. Douglas Mbuvu	-Security officer
5. Ms. Diana Munene	-Secretary
6. Ms. Josephine Galsaraco	-Office Assistant
7. Mr. Stephen Nyakuti	-Audio Officer

MINUTE SEN/SCLSW/070/2019: PRELIMINARIES

The Chairperson called the meeting to order at 11.00 a.m. followed by a word of prayer.

MINUTE SEN/SCLSW/071/2019: ADOPTION OF THE AGENDA

The agenda/ program of the retreat was adopted with the following amendment after being proposed by Sen. Petronila and seconded by Sen. Musuruve –

- i) The Committee resolved to confirm the minutes first then start with the County Government Retirement Scheme Bill, 2018 (NA Bill No. 10 of 2018) before moving the County Hall of Fame and the Persons with Disabilities Bills the following day.



Sen. Mwaura registered his minority opinion that the Committee should follow the program as scheduled and deal with the County Hall of Fame and the Persons with Disabilities Bill.

MINUTE SEN/SCLSW/072/2019: CONFIRMATION OF MINUTES

The Minutes of the public hearing on the County Governments Retirement Scheme Bill, 2018, (NA Bill No. 10 of 2018) that took place on 9th April, 2019 in the Senate Chamber from 9.00 am were confirmed as a true reflection of the meeting after being proposed by Sen. Petronila and confirmed by Sen. Mwaura.

The Minutes of the 7th sitting of the Committee held on Tuesday, 2nd April, 2019 from 9.00 am were confirmed as a true reflection of the meeting after being proposed by Sen. Musuruve and confirmed by Sen. Milgo.

MINUTE SEN/SCLSW/073/2019: CONSIDERATION OF THE AMENDMENTS TO THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL, 2018 (NA BILL NO. 10 OF 2018);

The Legal Counsel began taking members through the summary of amendments from the public hearing on the Bill.

Following extensive discussions on the title of the Bill, Members resolved that the Secretariat should make copies of all submissions for each Member for reference purposes.

Sen. Mwaura stated that the Committee should consider the matrix of amendments as prepared by the secretariat.

The Committee then resolved to adjourn and return at 2 pm to consider the amendments.

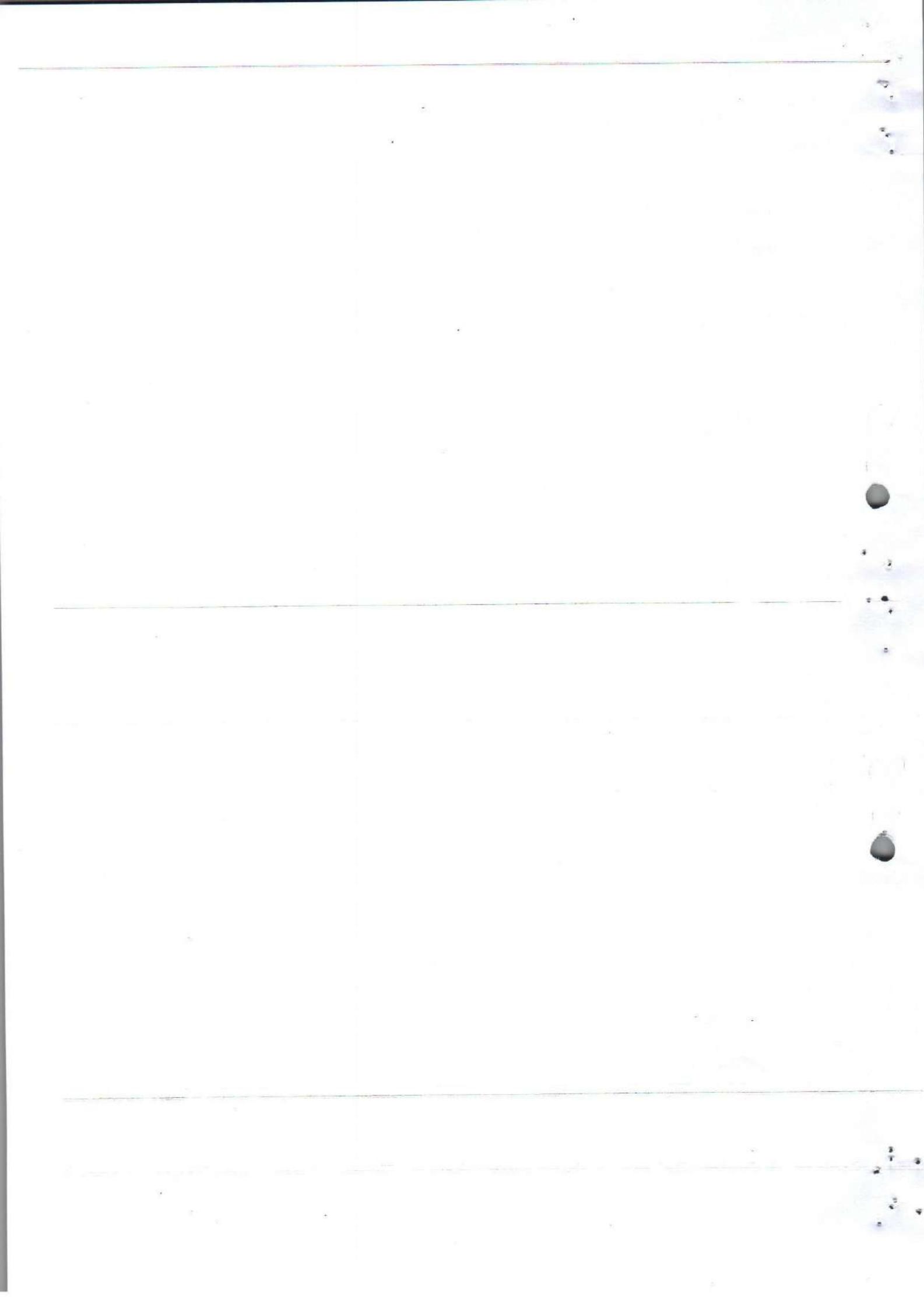
MINUTE SEN/SCLSW/074/2019: ANY OTHER BUSINESS AND ADJOURNMENT

There being no other business the meeting was adjourned at 12.25 pm.

SIGNATURE..... *Samuel Ghimbi*

for (CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE..... 21st MAY 2019



**MINUTES OF THE 13TH MEETING OF THE STANDING COMMITTEE ON LABOUR
AND SOCIAL WELFARE HELD ON THURSDAY, 11TH APRIL 2019 IN THE SENATE
CHAMBER FROM 1.05 PM**

MEMBERS PRESENT

- | | |
|-----------------------------------|--------------------|
| 1. Sen. Sakaja Johnson Arthur, MP | - Chairperson |
| 2. Sen. Alice milgo, MP | - Vice Chairperson |
| 3. Sen. Beatrice Kwamboka, MP | - Member |
| 4. Sen. Petronilla Were, MP | - Member |
| 5. Sen. Getrude Musuruve, MP | - Member |

ABSENT WITH APOLOGIES

- | | |
|----------------------------------|----------|
| 1. Sen. Poghisio Samuel Losuron | - Member |
| 2. Sen. Madzayo Stewart Mwachiru | - Member |
| 3. Sen. Mwaura Isaac | - Member |
| 4. Sen. Samson Cherarkey | - Member |

IN ATTENDANCE- SENATE SECRETARIAT

- | | |
|------------------------|-------------------|
| 1. Ms. Kavata Musyoka | - Clerk Assistant |
| 2. Mr. Jeremy Chabari | - Legal Counsel |
| 3. Mr. Stephen Nyakuti | - Audio Officer |
| 4. Ms. Julia Gachohi | - SAA |

MINUTE SEN/SCLSW/066/2019: PRELIMINARIES

The Chairperson called the meeting to order at 1.05 pm., followed by a word of prayer.

MINUTE SEN/SCLSW/067/2019: ADOPTION OF THE AGENDA

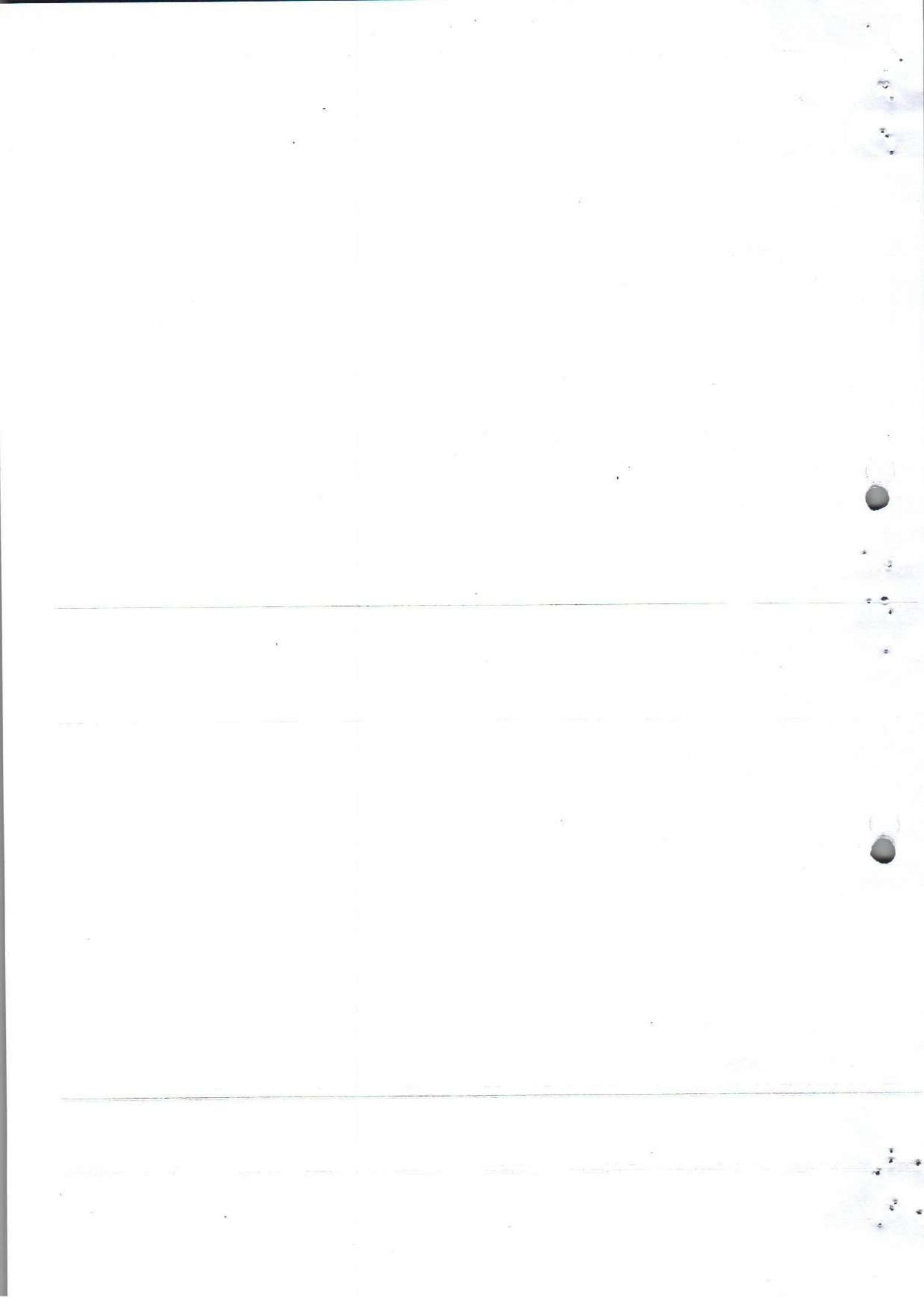
The agenda of the meeting was adopted having been proposed by Sen. Petronilla and seconded by Sen. Musuruve as follows –

AGENDA

1. Prayers;
2. Adoption of the Agenda;
3. House Keeping; and
4. Any Other Business & Adjournment.

MINUTE SEN/SCLSW/068/2019: HOUSE KEEPING

The Committee noted that it had conducted extensive public consultation on the county retirement pension bill. There was thus need to hold a two-day retreat to synthesize the information and consider the draft report by the Secretariat. In addition, there may be need



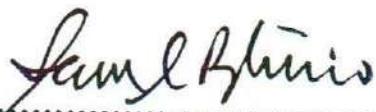
to hold further consultations with LAP Trust and LAP Fund separately to discuss the emerging issues and seek further clarifications on some of these issues.

The Committee noted that the Committee has a wide mandate hence the Committee also need to hold a retreat in Mombasa to plan its calendar of activities for the upcoming session.

MINUTE SEN/SCLSW/069/2019: ANY OTHER BUSINESS AND ADJOURNMENT

There being no other business the meeting was adjourned at 1.30 p.m.

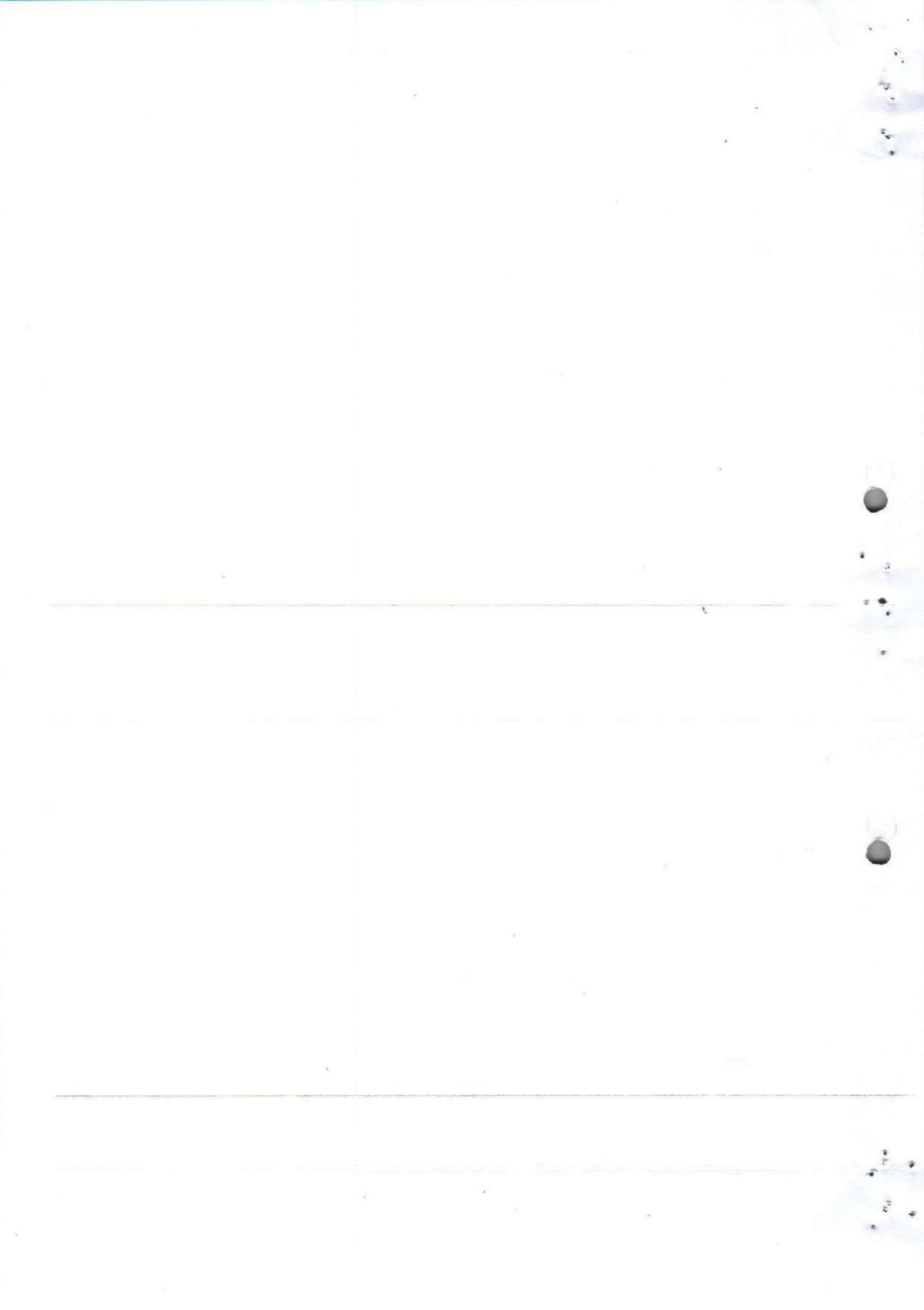
SIGNATURE.....



for (CHAIRPERSON: SEN. JOHNSON SAKAJA, MP)

DATE.....

21ST MAY 2019.....



**MINUTES OF THE 12TH MEETING OF THE STANDING COMMITTEE ON
LABOUR & SOCIAL WELFARE HELD ON THURSDAY, 11TH APRIL, 2019 IN
THE SENATE CHAMBER, MAIN PARLIAMENT BUILDINGS FROM 10.00 AM.**

MEMBERS PRESENT

1. Sen. Sakaja Johnson Arthur, CBS	-Chairperson
2. Sen. (Dr.) Milgo Alice Chepkorir	-Vice Chairperson
3. Sen. Poghisio Samuel Losuron, EGH	-Member
4. Sen. Cherarkey Samson Kiprotich	-Member
5. Sen. Makori Beatrice Kwamboka	-Member
6. Sen. Lokorio Petronila Were	-Member
7. Sen. (Dr.) Inimah Gertrude Musuruve	-Member

ABSENT WITH APOLOGIES

1. Sen. Madzayo Stewart Mwachiru	-Member
2. Sen. (Dr.) Mwaura Isaac, CBS	-Member

SENATE SECRETARIAT

1. Ms. Mwanate Shaban	-Clerk Assistant
2. Ms. Kavata Musyoka	-Clerk Assistant
3. Mr. Mitch Otoro	-Legal Counsel
4. Mr. Vitus Okech	-Research Officer
5. Ms. Julia Gachoki	-SAA
6. Mr. Philemon Okinda	-SAA
7. Mr. Stephen Nyakuti	-Audio Officer

STAKEHOLDERS

1. Ministry of Labour and Social Protection;
2. Council of Governors; and
3. County Assembly Forum.

MINUTE SEN/SCLSW/062/2019: PRELIMINARIES

The Chairperson called the meeting to order at 10.30 a.m, followed by a word of prayer. He then led a self-introductory session of all present.

MINUTE SEN/SCLSW/063/2019: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted after being unanimously adopted as follows –



AGENDA

1. Preliminaries (Prayers & Introductions)
2. Adoption of the Agenda;
3. Meeting with CS Labour and Social Protection, Council of Governors, and the County Assemblies Forum on the County Governments Retirement Scheme Bill, 2018 (NA Bill No. 10 of 2018);
4. Any Other Business & Adjournment.

MINUTE SEN/SCLSW/064/2019: MEETING WITH THE CABINET SECRETARY LABOUR AND SOCIAL PROTECTION, COUNCIL OF GOVERNORS AND THE COUNTY ASSEMBLIES FORUM ON THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL, 2018 (NA BILL NO. 10 OF 2018);

The Chairperson welcomed all present and informed the sitting that the former Chairperson of the now defunct Transitional Authority had requested for a camera session with the Committee. He then welcomed the CS Labour to give his presentation.

a) **Amb. Ukur Yatani, CS – Ministry of Labour and Social Protection** stated the following:-

- i) That the Ministry supports the Bill;
- ii) Raised concerns on the nominations by the Council of Governors, wondering what would happen when a Governor loses an election;
- iii) That the composition of the board may pose serious quorum challenges;
- iv) The reserve account should be eliminated as it may be subject to abuse;
- v) The Bill should provide for transition and the savings;
- vi) The Bill should address liabilities owed to NSSF, Laptrust and Lapfund by the counties;

Members Interventions

- i) Can the tier system based on exemptions by NSSF be spread out to the county workforce?
- ii) What is the Ministry's opinion of the definition of basic salary: does it include house allowance?
- iii) Is the Ministry okay with the representation of the workers in the board?
- iv) What is the basis of COG in the law?
- v) Senate will act as a mediator in this process that was started by the technical committee.

Responses

- i) Only Tier 2 is exempt;
- ii) The board will have the discretion of getting out of Tier 2;



- iii) The Bill should follow RBA's definition of pensionable income;
 - iv) County governments owe a lot of money to the existing schemes; and
 - v) Counties also inherited assets under the previous administration.
 - vi) The Council of Governors is a statutory organization under the County Government Act.
- b) **The Council of Governors** submitted as below –
- i) The Deputy President convened a meeting of all stakeholders. The Bill had undergone intensive stakeholder consultations and died in the last Parliament.
 - ii) The current bill is established along the module of a national government corporation and not a statutory trust;
 - iii) The employees belong to county governments and not national government.
 - iv) Had concerns with the composition of the board;
 - v) County executive controls 90% of the staff. COG will seek a representation in the board but will not sit in the board;
 - vi) Establishment of new scheme contradicts Article 132 of the County Government Retirement Act;
 - vii) COG has given Sec.18, 29, and 23 substantive recommendations;
 - viii) The bill needs to look at the transitional clauses and the role of the State Corporation Advisory Committee;
 - ix) The COG recommends that National government writes off the liabilities;
 - x) There is already a precedent set by Parliament giving COG powers to make regulations etc;
 - xi) There is an erroneous assumption that the funds belong to the National Government but in actual fact, the funds belong to employees;
 - xii) Devolution must be allowed to grow and National government should allow counties to grow. Pensions are a good source of investments for counties;
 - xiii) The bills should not appoint unions that are cadre specific;
 - xiv) The Bill should also contradict the RBA and the Pensions Act;
 - xv) The national government should not establish schemes for counties;
 - xvi) The Senate needs to protect interests of counties;
 - xvii) The interests of employees have been lost and all parties have been interested in the money aspect;
 - xviii) Concerned about the administration of the scheme;
 - xix) Regulatory standards through RBA and Pensions Act stipulate that the trustees are given autonomy/ discretion to choose based on the environments;
 - xx) On the issue of NSSF, until 2014 any person who was a member of a pension scheme was exempted from NSSF;
 - xxi) Also concerned about the closure of administration of Lapfund and Laptrust and transitional arrangements; and
 - xxii) Reject the bill in its entirety.



- c) The **County Assemblies Forum** mentioned that they have membership in both the Laptrust and Lapfund and they support the Bill.
 - i) State workers working in the country governments require their pension,
 - ii) Senate needs to address the issue that transitional clause took care of the Lapfund and Laptrust;

**MINUTE SEN/SCLSW/065/2019: ANY OTHER BUSINESS AND
ADJOURNMENT**

The Chairperson thanked all the stakeholders for attending the meeting and there being no other business the meeting was adjourned at 1.05 pm.

SIGNATURE..... 
for (CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE..... 21st MAY 2019



**MINUTES OF THE 11TH MEETING OF THE STANDING COMMITTEE ON
LABOUR & SOCIAL WELFARE HELD ON TUESDAY, 9TH APRIL, 2019 IN THE
SENATE CHAMBER, MAIN PARLIAMENT BUILDINGS FROM 9.00 AM.**

MEMBERS PRESENT

1. Sen. Sakaja Johnson Arthur, CBS	-Chairperson
2. Sen. (Dr.) Milgo Alice Chepkorir	-Vice Chairperson
3. Sen. (Dr.) Mwaura Isaac, CBS	-Member
4. Sen. Madzayo Stewart Mwachiru	-Member
5. Sen. Lokorio Petronila Were	-Member
6. Sen. (Dr.) Inimah Gertrude Musuruve	-Member

ABSENT WITH APOLOGIES

1. Sen. Cherarkey Samson Kiprotich	-Member
2. Sen. Poghisio Samuel Losuron, EGH	-Member
3. Sen. Makori Beatrice Kwamboka	-Member

SENATE SECRETARIAT

1. Ms. Mwanate Shaban	-Clerk Assistant
2. Mr. Jeremy Chabari	-Legal Counsel
3. Mr. Vitus Okech	-Research Officer
4. Ms. Julia Gachoki	-SAA

MEMBERS OF THE PUBLIC

As per the attendance schedule attached

MINUTE SEN/SCLSW/058/2019: PRELIMINARIES

The Chairperson called the meeting to order at 9.00 a.m, followed by a word of prayer. He then led a self-introductory session of all present.

MINUTE SEN/SCLSW/059/2019: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted having been proposed by Sen. Petronila Were and seconded by Sen. Musuruve as follows –

AGENDA

1. Preliminaries (Prayers & Introductions)
2. Adoption of the Agenda;
3. **Public Hearing on the County Governments Retirement Scheme Bill, 2018 (NA Bill NO 10 of 2018);**
4. Any Other Business & Adjournment.

MINUTE SEN/SCLSW/056/2019: PUBLIC HEARING ON THE COUNTY GOVERNMENTS RETIREMENT SCHEME BILL, 2018 (NA BILL NO. 10 OF 2018);

The Chairperson informed the sitting that they had received communication from the Ministry of Devolution who said that their position on the Bill still remains the same. The Committee had also received responses from the Ministry of Labour and Social Protection, the Council of Governors and the County Assembly Forums requesting to meet the Committee on Thursday, 11th April, 2019 and the Committee had agreed.

a) **Chairman Emeritus – Transitional Authority (TA) – Mr. Kinuthia Wamwangi** stated the following:-

- i) That his position is still the same;
- ii) That the now defunct TA had been mandated to ensure that the different cadres of county workers had a uniform pension scheme. The national government workers that had been seconded to Counties belonged to the National government fund while the former local government employees were in either Lapfund or Laptrust. The new County government workers joined either Laptrust or Lapfund or remained without a pension scheme.
- iii) There had been large stakeholder involvement on the bill.
- iv) Implementation had not been finalized due to the vested interest which has disadvantaged the workers.
- v) Absence of an Act to take care of county worker's pensions disadvantaged county workers

b) **Nairobi County Assembly's Minority whip, Mr. Peterson Ematok** gave the following comments –

- i) Acknowledged that there needs to be a proper legislation on County Pensions;
- ii) Stated that the above Bill establishes a new scheme and supports Laptrust Umbrella be renamed as the umbrella scheme;
- iii) Raised concerns of the MCA's own pension arrangements and stated that a Bill has been forwarded to the Senate on the same; and
- iv) Requested the Senate to enhance more cooperation to enrich and promote devolution.

c) **The National Treasury** said that they still stood by their previous submission.

d) **Ministry of Public Services, Youth and Gender Affairs** thanked the Committee for inviting them to the hearing and mentioned that they still stood with their previous position, adding that no member shall lose their pension as it is clearly articulated in the Bill;

- i) the Bill had come through a procedural process and had been discussed through various stakeholder panels;
 - ii) According to them, the main challenge was that LapTrust did not want to be part of the process.
 - iii) Advised the Committee to mediate between the two institutions – Laptrust and Lapfund so that they can merge into one superior institution.
- e) **MCA Warutere from Nairobi City County Assembly** stated that he supports the Bill.
- f) Mr. Sheikh AbdiKadir from **Laptrust** gave a brief history of Laptrust stating that it has grown from a small organization to a big successful one. He added that the reduction of Members' contribution will affect payments and that the definition of basic and gross salary will affect sustainability.
 - i) Laptrust supports the Bill that was sponsored by the former Committee Chairperson in 2016.
 - ii) He requested the Committee to amend the Bill to anchor the County Pensions Fund into law.
- g) **The Managing Director - CPF, Mr. Hosea Kili** thanked the Committee and the Senate for engaging the public again. He then gave a brief history of CPF mentioning that CPF is an umbrella scheme established in 2011 and the County Government Act was enacted in 2012. Sec. 132 of the Act states that counties should not establish new pensions and CPF received an advisory from the Attorney General indicating that Lap Trust Umbrella should be enacted into law.

His main concern was how the trustees of Laptrust will be compensated on the funds they took to start the scheme. He also added that the new bill should contain schedules providing in detail on how pensions have been paid.

- f) The **Retirement Benefits Authority (RBA)** raised the concerns on the constitution of the Board. They also brought forward the following issues:-
 - i) Statutory verses irrevocable trust – how accountable the schemes are going to be to the public
 - ii) Internal Administrator versus Corporate administrator – Lapfund emphasizes on internal administration while Laptrust seeks a corporate administrator
- g) **Lap Fund** – Mr. David Koros said that his institution supports the Bill and that Lapfund is part of the history of the Bill. He stated that Lapfund, as a state agency had agreed to be dissolved. He mentioned that Lapfund has an asset base of over 35 Billion Kshs. He then made the following comments:-

- i) Include associated organisations like water and sewerage companies in the definitions ;
- ii) The Laptrust DB scheme had already been closed and the Bill should outline the merger process of the existing schemes;
- iv) There is need for a new scheme which shall be a state corporation that will have very strong frameworks audited by the Auditor general to enhance accountability to the public.

The Chairperson thanked the public for attending the hearing and informed them that the Committee will look at the Bill received from KNCHR and make a resolution on the matter.

**MINUTE SEN/SCLSW/057/2019: ANY OTHER BUSINESS AND
ADJOURNMENT**

There being no other business the meeting was adjourned at 1.00 pm.

SIGNATURE..... *Samuel Sakaaja*
for (CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE *21st MAY 2019*

**MINUTES OF THE 7TH MEETING OF THE STANDING COMMITTEE ON
LABOUR & SOCIAL WELFARE HELD ON TUESDAY, 2ND APRIL, 2019 IN THE
GROUND FLOOR BOARDROOM, RED CROSS BUILDING FROM 9.00 AM.**

MEMBERS PRESENT

1. Sen. Sakaja Johnson Arthur, CBS
2. Sen. (Dr.) Milgo Alice Chepkorir
3. Sen. Madzayo Stewart Mwachiru
4. Sen. Poghisio Samuel Losuron, EGH
5. Sen. (Dr.) Inimah Gertrude Musuruve

-Chairperson
-Vice Chairperson
-Member
-Member
-Member

ABSENT WITH APOLOGIES

1. Sen. (Dr.) Mwaura Isaac, CBS
2. Sen. Cherarkey Samson Kiprotich
3. Sen. Makori Beatrice Kwamboka
4. Sen. Lokorio Petronila Were

-Member
-Member
-Member
-Member

SENATE SECRETARIAT

1. Ms. Mwanate Shaban
2. Mr. Jeremy Chabari

-Clerk Assistant
-Legal Counsel

MINUTE SEN/SCLSW/037/2019: PRELIMINARIES

The Chairperson called the meeting to order at 9.30 a.m, followed by a word of prayer.

MINUTE SEN/SCLSW/038/2019: ADOPTION OF THE AGENDA

The agenda of the meeting was adopted with amendments having been proposed by Sen. Musuruve and seconded by Sen. Milgo as follows –

AGENDA

1. Preliminaries (Prayers)
2. Adoption of the Agenda;
3. Deliberations on the County Government Retirement Scheme Bill;
4. Confirmation of Minutes;
-Minutes 4/ 2019, 5/2019 and 6/2019.
5. Correspondence before the Committee;
6. Briefing on the County Hall of Fame Bill
7. Briefing on the Persons With Disabilities (Amendment) Bill, 2019
8. Adoption of the County Visit Program (Taita Taveta, Makueni, and Kitui Counties); and
9. Any Other Business & Adjournment.

MINUTE SEN/SCLSW/039/2019: DELIBERATIONS ON THE COUNTY GOVERNMENT RETIREMENT SCHEME BILL

The Chairperson explained that the Bill was coming up for Committee of the Whole on Wednesday 3rd April, 2019 and urged the Committee to consider the amendments so that the Committee may have a report.

Members expressed reservations on the quality of public participation that the committee had undertaken and the Chair explained that the committee had placed an advertisement in the local newspapers on 20th November calling for submission of written memorandum. He added that the meeting on 3rd December was to strengthen the public participation but he had to make the meeting an extension of written submissions since than it had lacked quorum.

The Committee resolved to invite stakeholders to the final meeting on Tuesday, 9th April, 2019 from 9.30 am.

MINUTE SEN/SCLSW/040/2019: CONFIRMATION OF MINUTES

- i. The Minutes of the 4th Sitting held on Thursday, 28th February, 2019 in the Ground Floor Boardroom, Red Cross Building from 11.00 am were confirmed as a true reflection of the meeting after having being proposed by Sen. Milgo and seconded by Sen. Sakaja.
- ii. The Minutes of the 5th Sitting held on Thursday, 14th March, 2019 in the First Floor Boardroom, Red Cross Building from 9.00 am were confirmed as a true reflection of the meeting after having being proposed by Sen. Musuruve and seconded by Sen. Madzayo
- iii. The Minutes of the 6th Sitting held on Wednesday, 20th March, 2019 in the First Floor Boardroom, Red Cross Building from 10.00 am were confirmed as a true reflection of the meeting after having being proposed by Sen. Poghisio and seconded by Sen. Milgo.

MINUTE SEN/SCLSW/041/2019: CORRESPONDENCE BEFORE THE COMMITTEE

This agenda item was deferred.

**MINUTE SEN/SCLSW/042/2019: BRIEFING ON THE COUNTY HALL OF
FAME BILL, 2018**

This agenda item was deferred to the next sitting.

**MINUTE SEN/SCLSW/043/2019: BRIEFING ON THE PERSONS WITH
DISABILITIES (AMENDMENT) BILL, 2019**

This agenda item was deferred to the next sitting.

**MINUTE SEN/SCLSW/044/2019: ADOPTION OF THE COUNTY VISIT
PROGRAM (TAITA TAVETA, MAKUENI, AND KITUI COUNTIES);**

The Committee noted the letter from the Kenya Railways Corporation that they will be away and will not be able to facilitate the SGR terminuses visits scheduled for 4th and 5th April, 2019. The Committee therefore resolved to reschedule the visits to a later date.

**MINUTE SEN/SCLSW/045/2019: ANY OTHER BUSINESS AND
ADJOURNMENT**

There being no other business the meeting was adjourned at 11.30 a.m.

SIGNATURE..... *Sen. Johnson Sakaja*
for (CHAIRPERSON: SEN. JOHNSON SAKAJA)

DATE..... *21ST MAY 2019*

