



## Introduction

Pioneer Assurance Company Limited is a registered insurance provider in Kenya, licensed by the Insurance Regulatory Authority (IRA) and the Retirement Benefits Authority (RBA) to administer retirement benefits schemes. We are an approved issuer with the mandate to hold and invest retirement benefits funds. Additionally, Pioneer Assurance is a recognized service provider authorized to receive and manage NSSF Tier II contributions under the NSSF Act No. 45 of 2013.

## UNDERSTANDING THE NSSF ACT NO. 45 OF 2013

The National Social Security Fund (NSSF) Act 2013 was enacted to enhance retirement savings for Kenyan workers. Under this Act, employer and employee contributions were increased to 6% of pensionable earnings to provide a more structured approach to social security.

## OBJECTIVES OF THE ACT:

- Ensure adequate retirement savings.
- Standardize employer contributions across industries.
- Encourage long-term savings to drive economic growth.
- Provide a financial safety net against economic uncertainties



## STRUCTURE OF CONTRIBUTIONS

### Tier I Contributions

- Employers must remit 6% of pensionable earnings up to the Lower Earnings Limit (LEL) directly to NSSF.

### Tier II Contributions

- Employers can opt to remit 6% of the amount exceeding the Lower Earnings Limit (LEL) but below the Upper Earnings Limit (UEL) to either NSSF or a private pension scheme that is approved by the Retirement Benefits Authority (RBA) for contracting out.

### What is Contracting Out?

- Contracting out allows employers to remit Tier II contributions to a registered private retirement benefits scheme instead of NSSF. This can be an occupational scheme, umbrella scheme, or a personal retirement benefits scheme, subject to Retirement Benefits Authority (RBA) approval.

## STEPS TO CONTRACT OUT

1. **Choose an Approved Scheme** – Identify a registered scheme through which you want to contract out.
2. **Complete Form C1** – Official application for contracting out.
3. **Submit Employer Resolution** – A formal resolution agreeing to contract out and comply with NSSF Act requirements.
4. **Notify Employees** – Provide a written notice informing employees of the decision.
5. **Trustees' Resolution** – The trustees of the selected scheme must formally agree to receive Tier II contributions.
6. **Administrator's Undertaking** – The scheme administrator must commit to maintaining proper records of the contributions.

Pioneer Assurance is here to guide you through every step of the contracting-out process.

### 1. Investment Performance

Year	Performance	Industry Average
2023	10.50%	8.51%
2022	10.00%	8.10%
2021	10.25%	9.69%
2020	9.00%	8.32%
2019	11.0%	9.94%
2018	11.5%	7.29%
2017	11.5%	8.55%