



MINUTES OF THE JUBILEE INSURANCE PERSONAL PENSION PLAN ANNUAL GENERAL MEETING HELD ON ZOOM PLATFORM, ON 19TH NOVEMBER 2020

ATTENDANCE:

1. Members of the scheme
2. Sponsor Representative- Jubilee Insurance
3. Corporate Trustee Representative –Nat Bank Trusties & Investment Services
4. Administrator –Jubilee Insurance
5. Auditor –PKF
6. Retirement Benefits Authority

AGENDA

1. Welcome Remarks and Sponsor's speech
2. Reading and Confirmation of 2019 AGM minutes
3. Trustee Report
4. Presentation of the Audited Financial Statement
5. Presentation on Administration Report
6. Presentation of the Investment Report
7. Presentation on Industry Developments
8. Q & A session.
9. A.O.B

MIN 01/2020 Welcome Remarks and Sponsor's speech

The meeting was called to order by Paul Omondi at 10.15 am and started with a word of prayer from Jackson Wasonga. Paul Omondi then welcomed the Jubilee Personal Pension plan members and stakeholders and thanked them for honoring the invitation to attend the annual general meeting which is a compliance requirement and a platform to update them on the scheme matters.

Dr. Julius Kipngetch proceeded to give his speech as the Sponsor representative. He acknowledged the fact that the AGM was being held amid a global pandemic and urged members to continually take care and follow the COVID 19 safety protocols.

He also explained to the members the merger between Allianz Insurance and Jubilee General Insurance. He explained that the merger was important to have a global player that understands big business and provide International links. He assured the members that the merger did not affect the Jubilee Life Company in any way and that their funds are safe.

He encouraged members to continue saving despite the difficult times and preserve their savings in the scheme.



MIN 02/2020 Reading and confirmation of 2019 AGM minutes

The minutes of the previous AGM were read by Paul Omondi.

Since the link to the minutes had previously been shared with the members on email and the minutes published on the Jubilee website, the minutes were considered to have been read and an accurate record of the discussions in the previous AGM.

MIN 03/2020 Trustees Report

Timothy Wambui, the representative of the corporate trustee, Nat Bank Trustees & Investment Services took the members through the Trustees Report.

He highlighted that the AGM could not happen earlier as had been recorded in the previous minutes and acknowledged that the AGM was held virtually unlike the other ones due to the uncertainties in the country as a result of the Covid-19 pandemic.

He gave the members an overview of the trustees' responsibilities.

He also highlighted the 2019 performance where he indicated that the scheme grew to **KES.13.9B** in **2019** from **KES.12.1B** in **2018** with a total membership of **38,714**. The investment return for **2019** was at **10% NET**. This was an improvement from the 2018 performance where the scheme had declared a NET return rate of **8%**.

He also mentioned on development of the Jubilee member online portal called MMOL where members could now access their member statements, contribution breakdown, application form, withdrawal form and beneficiary nomination form. He urged members who were yet to interact with the MMOL portal to reach out to the administrators who would provide further guidance and assistance on how to navigate through the portal.

He also emphasized on the need for the members to continually update their beneficiaries records as this would help the trustees to avoid situations where they have to forward member benefits to Unclaimed Financial Assets Authority (UFAA) in the circumstances where beneficiaries could not be traced in the event of death.

He encouraged members that they can make additional contributions above their standard contribution rates. He also mentioned that the new employees of participating employers and members of the scheme can transfer their pension funds from their previous employer's scheme to their current PPP account and that they can reach out to the administrators to facilitate the process.

He gave a brief update on the Industry that the Finance Act, 2020 was amended making the lumpsum pension paid to the persons aged 65year of age or more taxable. This was effective from 30TH June 2020.



MIN 04/2020 Presentation of the Audited Financial Statement

The 2019 audits were conducted by the independent auditor, PKF – Kenya in accordance to the Retirements Benefit Act Section 34(3). The PKF representative, Alex Kieni took members through the Annual report and financial statements for the year ended 31 December 2019. These accounts had been available to the members through their representatives and Jubilee Insurance's website as indicated in the AGM notice and would also be sent to individual members upon request.

The Auditor presented on the responsibilities of trustees and the Independent auditors, membership of the scheme, statement of changes in net assets available for benefits, return on investments, statement of net assets available for benefits and net assets available for benefits.

The auditor concluded that the accompanying financial statements gave a true and fair view of the Jubilee Insurance Personal Pension Plan financial position as at 31st December 2019 and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards and the Retirement Benefits Act.

MIN 05/2020 Administration Report

The members were taken through the Administration report by Mourine Makokha of Jubilee Insurance.

She highlighted to the members what a retirement plan means, the retirement experience in Kenya and why members should seriously consider saving for their retirement.

She explained the circumstances under which the benefits are paid as provided for in the RBA Act.

She took the members through taxation on the retirement benefits and gave different scenarios on the application of these taxes.

She further explained the members rights which included equality of treatment and benefits to be transferred/paid within 30 days after receipt of full documentation. She also emphasized that members benefits cannot be assigned.

She encouraged members to receive and study their annual statements, purpose to attend scheme AGM and member education sessions, to always update their beneficiary records, save with a target in mind and consider increasing their monthly pension contributions.

MIN 06/2020 Investment Report

Mr. Lawrence Karanja of Jubilee Insurance took members present through the Investment Report.

He covered Investment in the Guaranteed fund, Understanding of Investment assets, Structure of a Guaranteed fund and market review highlights for the year 2019. He also highlighted Jubilee's performance over the past years and the fact that the Jubilee Insurance Guaranteed Fund provided for a minimum guaranteed rate of 4%.

He spoke on investment management that is on maximizing returns for clients and managing risk levels.



He concluded by telling members to think about whether they will have enough financial provision to live comfortably after retirement, what they want to do when they retire and where they want to live when they retire.

He encouraged members to deliberately save and plan for their retirement.

MIN 07/2020 Industry Developments Report

The report on Industry Developments was presented by Catherine Kang'ata who was representing the Regulator (RBA).

She took the members through the Industry snapshots for the year ended 31 December 2019, in terms of the assets, registered service providers and the approximate number of trustees trained so far.

She highlighted the RBA Regulatory Actions in line with the Covid-19 Pandemic in Kenya.

She also reported on the legislative changes, particularly The Tax Laws (Amendment) Act 2020 and the Retirement Benefits (Mortgage Loans) (Amendment) Regulations, 2020.

She further gave a brief summary on the Mortgage regulations as follows:

- Allows a member to utilize a portion of the member's accrued benefits to purchase a residential house.
- Limit amount that can be accessed to 40% of the member's accumulated benefit subject to a maximum of Kshs. 7.0 million or the purchase price of the house.
- Facility can only be used once and cannot be used to offset the balance of an existing mortgage facility
- Facility is available before (not after) retirement
- Schemes to set minimum requirements & procedures for application by members
- All Schemes required to amend their rules to comply with the amendments within 12 months from date of commencement of these regulations

MIN 08/2020 Questions and Answer

1. a) I fully transferred my former employer contributions to my PPP as I left their employment.
- b) I'm 55 & if I wanted to access all my benefits ' employer & mine is that possible? it wasn't clear on the 65-year rule.
- c) plus, if I haven't contributed for some time, can I just send a cheque or how do I contribute?

At age 55 one can access their pension savings on basis of early retirement.

The Finance Act, 2020 had amended Paragraph 53 to the First Schedule of the Income Tax Act thereby making lumpsum pension paid to persons aged 65 years of age or more taxable. Previously, lumpsum payments were exempt from tax alongside monthly pensions.

On contributions, members were encouraged that they can use the bank/ MPESA details or even place standing orders.

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2. I have not been depositing any money in my account due to issues. Is my account still active and can I start depositing? What is the pay bill number? when can one withdraw if you want to. do you charge interest.

The personal pension plan is a flexible plan that doesn't penalize the members on non-contributions. The amount in the account continues to earn interest even when one has not been contributing and one should feel free to make contributions when in a position to. The pay-bill number was also shared.

3. My spouse wants to transfer their residual personal pension plan to mine at Jubilee. how can you make this possible?

A member can only transfer their own benefits from other schemes to their personal Pension plan and not their spouse's funds and vice-versa due to non-assignability clause of the RBA Act.

4. In the case where a member had not nominated a beneficiary, what is the timeline before a decision to have the money transferred to the Unclaimed Assets Authority?

The scheme is given two years to trace the beneficiaries after which the funds are transferred to UNCLAIMED FINANCIAL ASSETS AUTHORITY.

5. What is the guarantee on investment returns with these uncertainties when we add more money into the scheme?

The minimum guaranteed rate is 4% but historically, Jubilee has been giving higher rates above the guaranteed rate

6. Can one have two PPP for different reasons?

It is possible for one to have more than one PPP account. However, it is advised for one to always consolidate their funds or ensure to let the immediate family know of the pension accounts for ease of claim and traceability by the dependants in the unfortunate demise of the member

7. Kindly expound on how one can access 40% of their contributions towards home ownership

The scheme had been given up to Sept 2021 to amend their trust deed and rules and to come up with the procedures and requirements for members to access the 40% of their contributions towards home ownership. Members will be communicated to once this is concluded on.

8. Can you have a PPP for your children?

only people who are above 18 can have PPPs. This is because KYC details needed are copy of ID and KRA pin which minors may not have. However, members can put their children as their beneficiaries and save more with their children in mind.

MIN 9/2020 A.O.B

The master of ceremony, Paul Omondi gave vote of thanks and appreciated all the stakeholders on the role each had played to ensure the success of the AGM. He also encouraged members to reach out to the administrators in case of any issue.

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There being no other business to discuss, the meeting was ended at 1.35PM with a word of prayer from Catherine Kang'ata.

SIGNED:..... Date:

SIGNED:..... Date: