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REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY

THIRTEENTH PARLIAMENT – FIFTH SESSION – 2026

PUBLIC PETITIONS COMMITTEE

REPORT ON CONSIDERATION OF PUBLIC PETITION NO. 08 OF 2026 REGARDING AMALGAMATION/CONVERSION OF FORMER CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEMES TO THE CURRENT PUBLIC SERVICE WORKERS CONTRIBUTION SCHEME UNDER THE PUBLIC SERVICE SUPERANNUATION FUND OF 2021 AND AMMENDMENT OF PENSIONS ACT

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 30 SEP 2026
DAY. Wednesday
TABLED BY: Hon. Janet Sitienei, MP (Vice-Chairperson)
CLERK-AT THE-TABLE: Lomale

NATIONAL ASSEMBLY
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Directorate of Audit Appropriations &
General-Purpose Committees
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NAIROBI

SEPTEMBER, 2026

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ACRONYMS

CEO	Chief Executive Officer
DB	Defined Benefit
DC	Defined Contribution
ePMIS	Electronic Pension Management Information System
NSSF	National Social Security Fund
PAYG	Pay-As-You-Go
PSSF	Public Service Superannuation Fund
PSSS	Public Service Superannuation Scheme
RBA	Retirement Benefits Authority
SRC	Salaries and Remuneration Commission

CHAIRPERSON'S FOREWORD

On behalf of the Public Petitions Committee and pursuant to the provisions of Standing Order 227, it is my pleasant privilege and honour to present to this House the Report of the Committee on the public petition no. 08 of 2026 regarding amalgamation/conversion of former civil service non-contributory pension schemes to the current public service workers contribution scheme under the public service superannuation fund of 2021 and amendment of pensions act. The petition was presented to the House pursuant to Standing Order No. 225 (2) (b) by the Speaker on behalf Mr. John Serem, Eng. Richard Bett and Ms. Olive Chepkoech being members of Kenya National Association of Public Service Pensioners in Kericho, a body representing former civil service workers and retirees countrywide.

The Committee considered the Petition and observed that the Defined Benefit scheme guarantees a fixed retirement benefit calculated from an officer's pensionable salary and years of service, with the Government bearing the funding and investment risk while the Defined Contribution scheme guarantees no fixed benefit; instead, the employer and employee make prescribed contributions to an individual account, and the eventual payout depends on total contributions plus investment returns, with the member bearing the investment and longevity risk. The transition was meant for fiscal sustainability and members above the age of 45 years as at effective date had the option to join.

The Committee declines to grant the prayer for amalgamation of both schemes and recommends that the National Treasury conducts three-year actuarial reviews commencing end of 2026 and submits to the National Assembly proposals to address gaps in the legislative and policy framework within three (3) months of tabling of this report.

The Committee appreciates the Offices of the Speaker and Clerk of the National Assembly for providing guidance and necessary technical support, without which its work would not have been possible. The Chairperson expresses gratitude to the Committee Members for their devotion and commitment to duty during the consideration of the Petition.

On behalf of the Committee and pursuant to the provisions of Standing Order 199, I now wish to lay the Report on the Table of the House.

HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

PART ONE

1 PREFACE

1.1 Establishment and mandate of the Committee

1) The Public Petitions Committee is established under the provisions of Standing Order 208A with the following terms of reference:

i) considering all public petitions tabled in the House;

ii) making such recommendations as may be appropriate with respect to the prayers sought in the petitions;

iii) recommending whether the findings arising from consideration of a petition should be debated; and

iv) advising the House and reporting on all public petitions committed to it.

1.2 Committee Membership

2) The Public Petitions Committee was constituted in October 2022 and comprises the following Members:

Chairperson

Hon. Muchangi Karemba, CBS, M.P.

Runyenjes Constituency

United Democratic Alliance (UDA)

Vice Chairperson
Hon. Janet Jepkemboi Sitienei, M.P
Turbo Constituency
United Democratic Alliance (UDA)

Hon. Patrick Makau King'ola, M.P.
Mavoko Constituency
Wiper Democratic Movement-Kenya (WDM-K)

Hon. Edith Vethi Nyenze, M.P.

Kitui West Constituency

Wiper Democratic Movement-Kenya (WDM-K)

Hon. Joshua Chepyegon Kandie, M.P.
Baringo Central Constituency
United Democratic Alliance (UDA)

Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
Dagoretti North Constituency
Orange Democratic Movement (ODM)

Hon. Maisori Marwa Kitayama, M.P.
Kuria East Constituency
United Democratic Alliance (UDA)

Hon. Paul Biego Kibichiy. M.P

Chesumei Constituency

United Democratic Alliance (UDA)

Hon. Bernard Muriuki Nebart, M.P.

Mbeere South Constituency

Independent

Hon. Patrick Munene, CBS, M.P.

Chuka Igambang'ombe Constituency
United Democratic Alliance (UDA

Hon. John Bwire Okano, M.P.
Taveta Constituency
Wiper Democratic Movement-Kenya (WDM-K)

Hon. Peter Mbogho Shake, M.P.
Mwatate Constituency
Jubilee Party (JP)

Hon. Suzanne Ndunge Kiamba, M.P.
Makueni Constituency
Wiper Democratic Movement-Kenya (WDM-K)

Hon. Peter Irungu Kihungi, M.P.
Kangema Constituency
United Democratic Alliance (UDA)

Hon. Sloya Clement Logova, M.P.
Sabatia Constituency
United Democratic Alliance (UDA)

1.3 Committee Secretariat

3) The secretariat comprises the following officers:

Mr. Victor Weke

Principal Clerk Assistant II

Ms. Miriam Modo

Clerk Assistant I

Mr. Bernard Toroitich

Clerk Assistant III

Ms. Kafuyai Wamae

Clerk Assistant III

Mr. Clinton Sindiga

Legal Counsel

Ms. Nancy Ouma

Research Officer III

Ms. Viola Saiya

Research Officer III

Mr. Collins Mahamba

Audio Officer

Ms. Fridah Ngari

Media Relations Officer

Ms. Felister Muiya

Public Communications Officer

Ms. Roselyne Njuki

Principal Sergeant at Arms

Mr. Paul Shana

Sergeant at Arms

PART TWO

2 BACKGROUND OF THE PETITION

2.1 Introduction

4) Public Petition 08 of 2026 regarding amalgamation/conversion of former civil service non-contributory pension schemes to the current public service workers contribution scheme under the public service superannuation fund of 2021 and amendment of Pensions Act, was presented to the House by Mr. John Serem, Eng. Richard Bett and Ms. Olive Chepkoech being members of Kenya National Association of Public Service Pensioners in Kericho, a body representing former civil service workers and retirees countrywide.

5) The Petitioners, who are public service pensioners adversely affected by the current pension framework governing the public service, aver that the Government, through the Public Service Superannuation Scheme Act, 2012, converted the previous Non-Contributory Defined Benefit (DB) pension scheme to a Defined Contributory (DC) scheme effective 1st January 2021.

6) The Petitioners claim that this conversion excluded new entrants from the old scheme, leaving existing pensioners under an obsolete system whose obligations remain unmet in terms of adequacy and regularity of payment.

7) The Petitioners claim that the current dual-pension architecture discriminates against former public servants under the Non-Contributory Defined Benefit pension scheme, who receive inadequate and irregular payments compared to the Defined Contributory scheme. They contend that this disparity amounts to unconstitutional discrimination among persons of the same class of entitlement.

8) The Petitioners note that Section 5 of the Pensions Act, Cap. 189 defines pension as an absolute right earned through public service. Yet, the current system compels retiring officers to commute one quarter (¼) of their pension, thereby reducing monthly income available to retirees.

9) The Petitioners recall that in 2014, the Salaries and Remuneration Commission (SRC), based on Actuarial Study valuation, recommended a 50% increase in the tax-free pension contribution limit under the Defined Benefit (DB) pension scheme every three years. However, no comprehensive actuarial pension review has been undertaken in conformity with the recommendations, leaving pensioners vulnerable to economic attrition.

10) The Petitioners are dismayed that the Government has inconsistently applied provisions of Section 17 of the Pensions Act that obligates payment of pension benefits to dependents upon the death of an officer. In this regard, access to Pension Benefits upon death of the Principal Officer by the respective next of kin remains administratively onerous hence violating the said provision.

2.2 Petitioner's Prayers

11) The Petitioners pray that the Committee investigates the matter and recommends that;

i) All non-contributory civil service pension schemes be amalgamated into a single, unified, equitable, and sustainable pension framework;

ii) The National Treasury and the Salaries and Remuneration Commission undertake an immediate actuarial review of public service pensions and gazette appropriate pension increases to cushion pensioners against the effects of inflation and the rising cost of living; and

iii) The Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190) be reviewed and amended to address existing gaps and ensure adequate protection of pensioners and their beneficiaries.

PART THREE

3 STAKEHOLDERS' SUBMISSIONS

3.1 The Petitioners

The petitioners appeared before the Committee on 16th June, 2026 and submitted as follows in furtherance to their submissions contained in the background above-

12) Approximately 25 per cent of public service pensioners currently receive pensions of less than Ksh. 4,000 per month, an amount they contend falls below the prevailing poverty threshold and is insufficient to meet basic living expenses.
13) They further submitted that retired public officers made significant contributions to the country's development and should therefore be supported through enhanced post-retirement welfare programmes, including the establishment of a voluntary post-retirement medical scheme to guarantee access to healthcare and promote the realization of the right to the highest attainable standard of health.
14) The Petitioners also noted that many retirees possess valuable knowledge, skills, and experience accumulated during their years of service. They proposed that retirees be recognized as a valuable human resource and that mechanisms be developed to facilitate their engagement in consultancy, mentorship, and other income-generating opportunities.
15) Additionally, the Petitioners expressed concern that dependents of deceased pensioners receive pension benefits for only five years, after which payments cease. They argued that this limitation places undue hardship on beneficiaries and should be reviewed to provide more sustainable support to dependents.

3.2 Retirement Benefits Authority

Mr. Charles Machira, the Chief Executive Officer, vide a letter NA/DAA & GPC/PPC/2026 dated 30th June, 2026 submitted as follows -

On amalgamation of all non-contributory civil service pension schemes into single, unified and sustainable framework;

16) The Authority submits that the decision to amalgamate retirement benefits schemes rests with the sponsor, in this case the Government, following a comprehensive assessment of the relevant financial, legal, governance and labour related considerations. Given the public interest nature of this matter, public participation would also be a key consideration.
17) The Authority notes that the proposed amalgamation is specific to the non-contributory civil service scheme financed through the Exchequer. In this regard, the Public Service Superannuation Fund (PSSF) would not be affected by the proposed amalgamation, given that it is a funded contributory scheme where both employees and the Government make contributions toward members' retirement benefits received.

18) If the amalgamation of the non-contributory scheme with PSSF were to be considered, significant financial and operational considerations would require resolution. In particular, the Government would first be required to provide funding for the accrued liabilities arising from the non- contributory scheme before any transfer of obligations or assets to the PSSF. According to an actuarial valuation report prepared by the National Treasury for the period ended June 2024, the estimated actuarial liability stood at over Kshs.1 trillion.

19) Further, since the non-contributory scheme currently meets pension obligations directly to existing pensioners, appropriate arrangements would need to be developed to safeguard the continuity of pension payments. Such arrangements may include externalization of pensioners through insurance arrangements to ensure continued payment of their benefits.

20) The PSSF operates a defined contribution scheme and does not pay pensions directly from the scheme upon members' retirement. Instead, members are provided with options to secure retirement income through the purchase an annuity from an insurance company or an income draw down arrangement offered by schemes registered by the Retirement Benefits Authority.

On the petitioners' prayer that the National Treasury and SRC to conduct an immediate actuarial study and gazette pension increases to mitigate the effects of inflation;

21) The Authority notes that the National Treasury conducted an actuarial study of the Civil Service Pension Scheme as at June 2024. The actuarial valuation report assessed the financial implications of various scenarios, including the impact of potential pension increases. The Authority further notes that any decision to provide additional pension increases would require consideration by the Government taking into account the associated fiscal implications, affordability, long- term sustainability and the overall impact on public finances.

On review of the Pensions Act (CAP 189) & the Pensions Increase Act (CAP 190);

22) The Authority notes the Petitioners' concerns regarding the erosion of pension purchasing power arising from inflation and the rising cost of living. Section 3 of the Pensions Increase Act (CAP 190) provides for a pension increase of the pension in payment, payable every two years on the 1st of July subject to the conditions and exclusions set out in the Act. This provision came into effect from 1st July 2005.

23) Any decision to grant additional pension increases beyond the statutory framework would require consideration by the Government, considering fiscal affordability.

On Discrimination Factors in Commutation of Pension between the Civil Service Pension Scheme and the Public Service Superannuation Fund;

24) The difference in commutation factors between the Civil Service Pension Scheme and the Public Service Superannuation Fund (PSSF) is based on the design and financing structures of the two schemes.

25) The Civil Service Pension Scheme is unfunded while the PSSF is funded hence they have different commutation factors. A higher commutation factor increases the lump sum payable to retirees while reducing the periodic pension payable.

26) Any increase in the commutation factor under an unfunded scheme would have financial implications on the Exchequer in financing the liability.

On concerns on delays in access to Benefits on death of a Principal Member

27) The Authority notes the concerns raised by the petitioners regarding administrative processes, including timely access to benefits following the death of a principal member. The Authority is aware that the Director of Pensions under the National Treasury has undertaken significant digital transformation and structural reforms aimed at addressing historical administrative challenges and improving service delivery to pensioners and beneficiaries.

28) Based on the foregoing, the Authority submits that any proposed amalgamation of retirement benefits schemes would require comprehensive consideration of the different scheme structures, funding arrangements, accrued liabilities, administrative frameworks and the need to safeguard the rights and interests of members and pensioners. The Authority remains available to provide the necessary regulatory guidance and support on this matter.

3.3 National Social Security Fund

Mr. David Koros, MBS, the CEO/Managing Trustee of the National Social Security Fund, vide a letter NA/DAA&GPC/PPC/2026/106 dated 3rd July, 2026 submitted as follows;

29) The National Social Security Fund is a statutory body established under the National Social Security Fund Act, 2013 to provide social security through a mandatory contributory pension scheme for employees in Kenya.

30) The Fund respectfully observes that the issues raised in the Petition principally concern the administration, financing and reform of pension schemes established under the Pensions Act (Cap.189) and the Public Service Superannuation Scheme Act, 2012. The Petition raises concerns premised on public pension policy, pension administration, fiscal sustainability and the protection of pensioners' rights. While these concerns merit consideration, the proposals advanced require careful constitutional, legal, actuarial and fiscal evaluation before legislative action can be recommended.

31) The administration of the Civil Service Non- Contributory Pension Scheme, pensions payable under the Pensions Act (Cap. 189), the Public Service Superannuation Scheme established under the Public Service Superannuation Scheme Act, 2012 and pension adjustments made under the Pensions (Increase) Act (Cap.190) fall under the policy and administrative responsibility of the National Treasury through the Pensions Department and the Public Service Superannuation Fund.

32) From the onset any review of the Pensions Act (Cap. 189), the Public Service Superannuation Scheme Act, 2012 and the Pensions (Increase) Act (Cap.190) should consider the following;

- comprehensive actuarial valuation of liabilities under both schemes;
- fiscal implications for the Consolidated Fund;
- accrued pension rights and legitimate expectations of beneficiaries;
- transition arrangements for serving officers and pensioners;
- governance and administration of the proposed unified scheme;
- compatibility with existing employment contracts and terms of service.

3.4 State Department for Public Service and Human Capital Development

The Principal Secretary, the State Department for Public Service and Human Capital Development, Dr. Jane Kere Imbunya, PhD, appeared before the Committee on 11th August, 2026 and submitted as follows-

33) The petition outlines three primary areas of concern for the Government's consideration:

i) Scheme Amalgamation: The perceived disparity between retirees under the legacy non- contributory arrangement and the modernized contributory framework;
ii) Cost of Living Adjustments: The urgent need to review pension benefits to mitigate the impact of inflation on household, medical, and transport costs; and
iii) Administrative Bottlenecks: The significant challenges faced by dependents' when pursuing benefits following the demise of a pensioner or serving officer.

34) The State Department for Public Service and Human Capital Development derives its mandate from the Executive Order No. 1 of 2025 which highlights its functions as follows:

i) Public Service Reforms and Transformation including Operational Standards and Process Engineering;
ii) Government Human Resource Information Systems and Services;
iii) Overseeing the management of the National Youth Service (NYS);
iv) Internship and Volunteer Policy for Public Service;
v) Government Payroll Policy and Standards;
vi) Government Shared Support Services;
vii) Research, Development and Public Service Delivery Innovations;
viii) Public Service Career Planning and Development; and
ix) Administration of Insurance and Welfare Programmes for the Civil Service, Including: Comprehensive Group Life, Last expense, Work Injury Benefits and Group Personal Accident Insurance Cover; and Counselling Policy and Service.

35) The State Department responsible for Public Service focuses on public service policies and human capital development, specifically regarding the management, capacity development and support of public servants / officers throughout their careers. While we do not directly appropriate pension funds, or manage the National Treasury's pension vote, or administer

the PSSF, we accept our responsibility to coordinate a comprehensive and professional Government response, given the impact of these issues on our current and former workforce.

Amalgamation of Pension Schemes

36) The request for a unified, sustainable pension framework is well- noted. However, the legacy non- contributory pension scheme for public officers' arrangement is essentially a government promise to workers budgeted and funded directly by public resources, whereas the PSSF is a funded scheme comprising contributions both from the members and employers, assets, returns from investments, trustees, and individual member accounts. Amalgamation is not merely a transfer of names but a complex legal and financial transition.

37) It is important to note that before recommending such a reform, the Government must accurately determine the total liability, define the treatment of past service, protect existing rights, and ensure the transition is fiscally sustainable without disadvantaging any group which must be implemented in full compliance with the existing policies, laws and regulations.

38) The pension wage bill has continued to increase over the years since independence. To ensure sustainability of the Public Service pension wage bill, the Government implemented a contributory pension scheme, the Public Service Superannuation Scheme with effect from 1st January, 2021. The Scheme covers Civil Servants, Teachers and Disciplined Services (National Police Service, Kenya Prisons Service and the NYS) who are on permanent and pensionable terms of service.

39) The administration of the Scheme is governed by the Public Service Superannuation Scheme Act, 2012, which is the legal framework for the Scheme. Membership to the Scheme are employees serving on permanent and pensionable terms of service and aged below 45 years as at 1st January, 2021. However, employees aged above 45 years were given an option to join the contributory Scheme or remain in the non- contributory pension scheme managed under the Pensions Act.

40) The Scheme is oversighted by a Board of Trustees and managed by a Secretariat headed by a Chief Executive Officer. The Board of Trustees has representation from the National Treasury, Ministry of Public Service, Human Capital Development and Special Programmes, Teachers Service Commission, Public Service Commission, National Police Service, Kenya National Union of Teachers, Kenya Union of Post Primary Education Teachers; Union of Kenya Civil Servants and three (3) independent Members and a Chair appointed by the Cabinet Secretary, the National Treasury.

41) For most of Kenya's history, retirement benefits for public servants were paid as a non-contributory, Pay- As- You- Go arrangement under the Pensions Act (Cap. 189) which was established in 1946, and the Widows' and Children's Pensions Scheme Act (Cap. 195). Benefits were financed entirely by the Exchequer and administered by the Pensions Department at the National Treasury, with no contribution from members and no fund of assets to meet the promise. This defined benefit (DB) arrangement covered the bulk of the

public service, civil servants, teachers, and the disciplined services personnel (National Police Service, Prisons and NYS). Forming the largest sector in the public service and being unfunded, its cost increased unsustainably, placing an open- ended and growing liability directly on the national budget and wage bill.

42) The decisive policy shift came through Treasury Circular No. 18 of 2010, in which the National Treasury directed all public sector pension schemes to convert from the defined benefit model to a funded defined contribution (DC) model. The Circular's objective was to align public service pension arrangements with best practice in the retirement benefits industry, replace the open- ended Exchequer charge with a funded system in which both employer and employee contribute, and progressively reduce Government's unfunded pension liability. Every Public Sector employer was to convert by July 2011. Most of the entities save for the categories highlighted above shifted to DC.

43) As an effect to the circular, the Public Service Superannuation Scheme Act, 2012 (No. 8 of 2012), now Cap. 189A, assented to on 9th May 2012, established the Public Service Superannuation Scheme (PSSS) as a funded DC scheme for employees under the Public Service Commission, the Teachers Service Commission, and the National Police Service Commission.

44) Although the PSSS Act was enacted in 2012, it remained dormant for several years before it was operationalized. The turning point came at the National Wage Bill Conference held from 26th – 28th November 2019, convened by the Salaries and Remuneration Commission together with the National Treasury and other State actors under the theme "Transforming Kenya's Economy through a Fiscally Sustainable Public Wage Bill." Among its several resolutions on the size and sustainability of the public wage bill, the Conference specifically directed that the PSSS Act be operationalized without further delay.

45) That resolution supplied the political and administrative push that had delayed for 9 years to see the scheme commence operations on 1st January 2021. Officers aged 45 years and below were automatically enrolled from that date, while those aged 45 and above were given an option window, from 1st January – 31st March 2021, to elect to join; those who did not opt in remained in the old DB scheme, which was itself closed to new entrants with effect from 1st January 2021. The PSSS has a membership of 529,635 as at 30th June 2026.

46) The practical difference between the two models is felt most directly by the individual employee. Because the DC arrangement is funded from day one, and a member's savings are fully vested in that member credited into the individual retirement savings account, an employee can move between employers, or leave the public service altogether, without losing any accrued benefit; the balance simply moves with the member, is deferred in the scheme or is paid out to the member. This is unlike the old, unfunded DB scheme administered by the Pensions Department at the National Treasury, where benefits were tied to years of pensionable service within the scheme and did not readily follow an employee who exited early or moved across employers without a loss of benefits.

47) Under the DC arrangement, payment is also immediately available to the member upon exit from service, rather than being a contingent on the Exchequer allocation. Beyond the

individual member, the accumulating contributions under the DC model also build up a substantial pool of long- term capital, which the Scheme's trustees invest across various sectors of the economy, including government securities, equities, real estate, and infrastructure, giving the reform a second dividend as a source of domestic investment alongside its role in securing members' retirement income.

Key Justifications for the Shift

48) Fiscal sustainability and reducing the wage bill: Under the old DB scheme, the Exchequer bore the full, open-ended cost of pensions as an unfunded liability. A funded DC scheme caps the Government's annual liability to its fixed 15% contribution, stabilising public expenditure and easing pressure on the national budget.
49) Shifting the funding burden from taxpayers to a pre-funded model: Because DB pensions were paid directly from current revenue, future taxpayers effectively financed retirees' benefits with no dedicated fund set aside. PSSS requires both employee (graduated to 7.5% of basic salary) and Government (15%) contributions to be paid into a ring-fenced Fund during an employee's working life.
50) Alignment with retirement- benefits industry best practice: The reform brought public service pensions in line with the funded, contributory model already used in the private/occupational sector and regulated by the Retirement Benefits Authority (RBA), replacing an unregulated, ad hoc Exchequer arrangement.
51) Mobilising national savings and capital for growth: A funded DC scheme accumulates investable assets (Kenya's retirement benefits assets reached Sh1.7 trillion by June 2023), increasing the pool of long- term capital available for private and public sector investment and supporting broader economic growth.
52) Individual ownership, transparency, and portability: Each member has a personal retirement savings account showing contributions and accrued interest, via annual benefit statements, giving members clearer visibility of their entitlements than the discretionary, service- based DB formula allowed.
53) Regulatory oversight and governance: PSSS is administered by an independent Board of Trustees and regulated by the RBA, introducing professional fund management, actuarial oversight, and accountability absent from the Exchequer- financed DB scheme.

Cost of Living and Pension Reviews

54) The State department acknowledges that inflation can diminish the real value of pensions, forcing many retirees to struggle with basic needs. However, any increase in payments creates a long- term, continuing obligation and burden on the government hence the need to ensure affordability and sustainability of payment of pension to all eligible public officers and their beneficiaries.

55) The State Department recommends an immediate actuarial and fiscal review of pensions currently in payment to ensure that any adjustments are evidence- based, all public sector inclusive, affordable, and integrated into the proper budgetary process.

Commutation and Financial Literacy

56) The choice to receive a lump sum (commutation) at retirement often results in a significantly reduced monthly pension later in life. This is a human and financial literacy issue. The state department proposes implementing mandatory, simplified mandatory pre- retirement courses, training and counselling to ensure retirees fully comprehend the long- term impact of their financial choices.

Administration of Dependents' Benefits

57) The State Department for Public Service and Human Capital Development believes immediate administrative improvements are required to support grieving families concerning pension administration which is currently is largely associated with inefficiencies;

i) A standardized, clear checklist for all dependents' claims;
ii) Experienced and dedicated officers to guide families through the process;
iii) Transparent claim tracking and established timelines for each stage of processing; and;
iv) Enhanced coordination between pension offices, employers, and supporting public agencies

58) In conclusion, the transition from the non- contributory DB Pension Scheme (Cap 189) to the contributory DC PSSSF Scheme was driven primarily by the need to make public pension costs fiscally sustainable and predictable, shift funding risk away from future taxpayers, align Kenya's public service pensions with modern retirement- benefits practice, and mobilise domestic savings for economic development, while giving members greater transparency and ownership over their retirement savings.

59) In view of the foregoing, it is the considered opinion of the State Department for Public Service and Human Capital Development that the current arrangement of contributory pension scheme for public service employees aligns with international best practice in pension management.

3.5 The National Treasury

Mr. Alfred Kagika, the Secretary, Pensions, at the National Treasury, appeared before the Committee on 20th August, 2026 on behalf of the Principal Secretary and submitted as follows-

60) Kenya's public service pension arrangements have evolved over time in response to changes in pension policy, demographics, fiscal considerations and the need to strengthen retirement

security. There are currently two principal pension arrangements applicable to public servants, reflecting this transition.

61) The Civil Service Pension Scheme is established under the Pensions Act (Cap. 189) and is:
- non-contributory;
- unfunded;
- financed directly from the Consolidated Fund on a Pay-As-You-Go (PAYG) basis; and
- a Defined Benefit (DB) arrangement.

62) Under this arrangement, Government bears responsibility for meeting the pension obligations as and when they fall due.

63) As at 31st July, 2026 the Scheme had approximately 319,207 pensioners/beneficiaries in payment with a monthly pension payroll of approximately Kshs.7.8 billion equivalent to approximately Kshs.93.7 billion per annum.

64) The Public Service Superannuation Scheme (PSSS) was established under the Public Service Superannuation Scheme Act, 2012, with implementation commencing on 1st January 2021. Unlike the legacy arrangement, PSSS is:
- contributory;
- funded;
- Defined Contribution (DC); and
- based on accumulated member and employer contributions together with investment returns.

65) Members have individual retirement savings accounts to which contributions are credited and invested in accordance with the Scheme's investment framework. As at 30th June, 2026, PSSS had approximately 529,635 active members, with accumulated assets of approximately KSh.343.75 billion.

66) The two arrangements are therefore fundamentally different in legal character, benefit design, financing mechanism, actuarial treatment and fiscal structure. The coexistence of the two arrangements is a consequence of the transition from a legacy unfunded Defined Benefit system to a funded contributory Defined Contribution system.

67) The Petitioners contend that the existence of two pension arrangements creates a discriminatory dual-pension architecture in which existing retirees are disadvantaged relative to members of the contributory scheme.

68) On the allegation of discrimination, the National Treasury submitted that the mere existence of the two arrangements, in itself, does not constitute discrimination. The distinction arises from statutory pension reform and objectively different categories of membership, rather than from arbitrary differentiation between persons who are similarly situated.

69) The transition to PSSS was designed to establish a more sustainable contributory retirement benefits framework while protecting pension rights accrued under the previous arrangement. The applicable transitional provisions determine which employees remained under the legacy Defined Benefit arrangement and which employees became members of PSSS.

70) Importantly, the transition did not extinguish or retrospectively alter pension rights already accrued under the previous scheme. Rather, it established a framework for protecting accrued rights while progressively introducing a funded and contributory system for future service.

71) The two schemes should therefore be understood as part of a managed pension transition, rather than as competing schemes offering different treatment to persons with identical pension entitlements.

72) Below are key numbers in relation to the two schemes:

- Number of pensioners/dependants under the legacy DB arrangement -319,207
- Number of active members under PSSS - 529,635
- Number of officers who transitioned to PSSS on 1 January 2021 - 342,907
- Number of new entrants joining PSSS since 1 January 2021 – 186,728
- Percentage of the public service currently under PSSS: 78%

73) The principal prayer is for the amalgamation of all non-contributory civil service pension schemes with PSSS into a single, unified and sustainable framework, the National Treasury appreciates the objective of seeking a sustainable and coherent pension framework. However, immediate amalgamation of the legacy Defined Benefit arrangement with PSSS is not recommended because the two arrangements are fundamentally different.

74) The legacy Civil Service Pension Scheme is a Defined Benefit arrangement, under which the benefit payable is determined in accordance with the applicable statutory formula.

75) PSSS, on the other hand, is a Defined Contribution arrangement, under which the eventual retirement benefit is principally determined by the contributions accumulated in a member's account and the investment returns earned. The liabilities and benefits under the two arrangements are therefore determined using fundamentally different methodologies.

76) The legacy arrangement is unfunded and financed through the Exchequer on a PAYG basis. PSSS is a funded contributory arrangement, supported by member and employer contributions and investment returns. Consequently, amalgamating the two would not merely involve administrative consolidation. It would require fundamental decisions regarding:

- treatment of existing accrued DB liabilities;
- treatment of accumulated PSSS assets;
- assumption of historical liabilities;
- valuation and transfer of assets and liabilities;
- protection of individual PSSS member accounts;
- future contribution rates;
- benefit entitlements; and
- the resulting huge fiscal exposure to Government.

77) PSSS members have accumulated retirement savings arising from contributions made by both employees and the Government, together with investment returns. These assets are attributable to individual members and are intended to finance their future retirement benefits.

78) Accordingly, using accumulated PSSS assets to finance historical unfunded pension liabilities would raise significant issues regarding members' accrued interests, intergenerational equity and confidence in the contributory pension system. Indeed, in a contributory arrangement contributions and investment returns immediately vest to a member at the point the money records in the books and it becomes private property.

79) Any restructuring would therefore have to ensure that accumulated member retirement savings are fully protected.

80) The transition to PSSS was intended, among other objectives, to progressively move new public service retirement obligations towards a funded and contributory model. The legacy DB arrangement represents a stock of obligations arising from past service, which Government remains responsible for meeting.

81) These obligations cannot simply be transferred to PSSS without addressing the underlying financing implications. Indeed, amalgamation without a clear financing mechanism could result in the Government assuming both the legacy unfunded liabilities and additional obligations associated with the contributory scheme, potentially increasing rather than reducing fiscal pressure.

82) The appropriate policy objective should therefore be to manage the DB and Contributory Schemes carefully while honouring accrued rights and strengthening the sustainability of the emerging funded system.

83) The more appropriate approach is to continue managing the legacy arrangement as a closed legacy Defined Benefit obligation, while progressively allowing the contributory PSSS to serve the retirement needs of its membership. Under such an approach:

- existing pensioners continue to receive their lawful benefits;
- accrued pension rights remain protected;
- PSSS members retain their accumulated retirement savings;
- new members participate in the contributory arrangement; and
- the legacy liability is progressively managed as the number of beneficiaries evolves over time.

84) This approach avoids disrupting accrued rights while allowing the Government to pursue the long-term objectives of pension reform.

85) The Petition characterizes retirees under the legacy arrangement as being subjected to inadequate and irregular pension payments. However, the National treasury acknowledges the concerns regarding pension adequacy and the impact of inflation but clarifies that pensions under the legacy arrangement are processed through the Government pension payroll and paid through established banking arrangements.

86) As at July 2026, the monthly pension payroll was approximately KSh.7.8 billion, covering approximately 319,207 pensioners and beneficiaries. During the period 2025/2026 the percentage of pension payments successfully processed within the scheduled payment cycle was 76%.

87) The Department has also undertaken significant reforms aimed at improving the timeliness, accuracy and integrity of pension payments, including:

- automation of pension processing;
- digitisation of pension records;
- implementation of ePMIS;
- electronic claims processing;
- beneficiary validation;
- payroll reconciliation; and
- integration with relevant Government databases.

88) The National Treasury nevertheless recognises that adequacy and purchasing power are distinct from the question of payment regularity and remain important policy considerations.

89) The National Treasury clarified that the Petition incorrectly cites section 5 of the Pensions Act regarding the commutation of pension. The option to commute part of the pension is provided for under Regulation 27 of the Pensions (General) Regulations, which provides for the payment of a reduced pension together with a gratuity calculated in accordance with the prescribed formula.

90) Importantly, the provision is an option available to an eligible retiring officer, rather than an involuntary reduction imposed on every retiree. The arrangement allows a retiree to make a choice between receiving:

- a higher periodic pension without commutation; or
- a reduced periodic pension together with a lump-sum gratuity.

91) The lump sum may provide retirees with resources for immediate financial needs, including:

- housing;
- debt settlement;
- investment;
- education; and
- family obligations.

92) The National Treasury recognises, however, that the adequacy of the commuted pension and the appropriateness of the existing commutation framework may warrant review as part of the broader review of the pension legal framework.

93) The National Treasury acknowledges that pension adequacy and preservation of purchasing power are legitimate policy considerations. However, pension adjustments have significant and recurring fiscal implications, particularly in respect of an unfunded Defined Benefit arrangement financed directly from the Exchequer. Any increase in pension benefits therefore needs to be considered against:

- the prevailing inflation rate;
- the level and sustainability of Government revenues;
- the projected pensioner population;
- the existing pension expenditure;
- actuarial projections of future liabilities;
- competing public expenditure priorities;
- the overall fiscal position; and
- long-term debt and fiscal sustainability considerations.

94) An actuarial recommendation provides an important technical basis for policy consideration but does not, on its own, automatically create a legal or fiscal obligation to implement a particular level of pension increase.

95) The National Treasury supports periodic actuarial assessment as an evidence-based mechanism for informing future decisions on pension adequacy and sustainability.

96) The Petitioners raised concerns regarding the processes through which dependants and next of kin access benefits following the death of a principal pensioner or officer. The National Treasury acknowledged that timely settlement of death and survivor benefits is an important aspect of pension service delivery. At the same time, the processing of death-related benefits requires appropriate verification to ensure that payments are made to lawful beneficiaries and to protect public resources from fraudulent or duplicate claims. The Department has therefore been progressively modernising the process through:

- digitisation of pension records;
- electronic claims processing;
- enhanced beneficiary verification;
- integration with national identification and other relevant databases;
- implementation of ePMIS;
- digitisation of supporting documentation; and
- improved monitoring of outstanding claims.

97) These reforms are intended to achieve an appropriate balance between facilitating timely access to benefits and maintaining necessary safeguards over public funds. The National Treasury nevertheless recognises that there remains scope to simplify and streamline the process, the reason we now facilitate through e-Citizen platform a dependant initiated self-registration.

98) The Department will therefore continue reviewing the administrative requirements and processes applicable to survivor benefits with a view to reducing unnecessary documentation, shortening processing timelines and improving communication with beneficiaries.

99) The National Treasury acknowledged the Petitioners' request for review of the Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190). The Government recognises that the pension legislative framework requires periodic review to ensure that it remains responsive to:

- changes in pension policy;
- demographic developments;
- constitutional principles;
- administrative requirements;
- pension adequacy;
- fiscal sustainability; and
- the transition to contributory retirement arrangements.

100) The National Treasury is therefore undertaking work towards the review and modernisation of the pension legal framework. The review provides an opportunity to consider, among other matters:
    - the adequacy and structure of pension benefits;
    - commutation arrangements;
    - pension adjustment mechanisms;
    - survivor and dependant benefits;
    - administrative processes;
    - protection of accrued rights;
    - governance and accountability;
    - alignment with the contributory pension framework; and
    - long-term fiscal sustainability.
101) Any proposed legislative amendments will be subjected to the appropriate policy, legal, stakeholder and legislative processes.
102) The National Treasury agreed with the Petitioners that actuarial assessment is an important tool for informing pension policy and assessing the long-term implications of pension obligations. An actuarial assessment is particularly important for the legacy Defined Benefit arrangement because the Scheme is unfunded and financed on a PAYG basis.
103) The Government will therefore continue to undertake actuarial assessments aimed at establishing a robust evidence base on:
    - accrued pension liabilities;
    - projected future pension obligations;
    - demographic and retirement trends;
    - expected pension expenditure;
    - long-term fiscal implications; and
    - financing requirements.
104) The findings of the actuarial assessment will inform Government's consideration of measures necessary to ensure the adequacy, sustainability and affordability of public service pensions.
105) The National Treasury proposes that actuarial assessment of public service pension obligations be undertaken periodically and integrated into the Government's broader fiscal-risk and medium-to-long-term fiscal planning framework.
106) In 2023, the National Treasury developed the National Retirement Benefits Policy, which provides a policy framework for strengthening retirement benefits in Kenya. Consistent with the policy direction, Government is undertaking reforms aimed at:
    - modernising pension administration through ePMIS;
    - reviewing the Pensions Act and the Pensions (Increase) Act;
    - strengthening the governance and administration of PSSS;
    - improving pension payroll management;
    - strengthening actuarial capacity;
    - enhancing data quality and pension records management;
    - automating pension processing;

- improving beneficiary verification;
- strengthening fraud prevention and detection; and
- improving customer service and access to pension benefits.

107) These reforms are intended to ensure that the pension system simultaneously achieves adequacy, efficiency, integrity and fiscal sustainability.

108) In view of the foregoing, the National Treasury respectfully recommended that the Committee:

- Notes that the coexistence of the legacy Defined Benefit pension arrangement and the Public Service Superannuation Scheme represents a statutory transition from an unfunded PAYG arrangement to a funded contributory retirement benefits framework and does not, in itself, constitute discriminatory treatment.
- Does not recommend amalgamation of the legacy Defined Benefit arrangement with PSSS, given the fundamental differences in their legal, benefit, financing and actuarial structures and the need to protect accrued pension rights and PSSS members' accumulated retirement savings.
- Supports periodic actuarial assessment of public service pension obligations as the basis for future policy on pension adequacy, liability management and long-term fiscal sustainability.
- Supports the ongoing review of the Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190) with a view to modernising the legislative framework and addressing emerging policy, administrative and fiscal considerations.
- Supports continued reforms in pension administration, including ePMIS, digitisation of pension records, automation of claims processing, beneficiary verification and strengthened pension payroll controls.
- Encourages the National Treasury to develop a transparent and sustainable framework for consideration of future pension adjustments, informed by actuarial evidence, inflation, pension adequacy and the overall fiscal position.
- Supports continued efforts to simplify the processing of survivor and dependant benefits, while retaining appropriate verification and accountability safeguards.
- Recommends that future consideration of any structural changes to public pension arrangements be preceded by comprehensive actuarial, legal, financial and fiscal impact assessments, including an assessment of the implications for accrued rights, scheme members and the Exchequer.

109) In conclusion, the National Treasury therefore remains committed to working with Parliament, pensioners, the Salaries and Remuneration Commission, the Public Service Superannuation Scheme, the Retirement Benefits Authority and other stakeholders to strengthen Kenya's public pension system in a manner that is fair, efficient, adequate and fiscally sustainable.

3.6 The Salaries and Remunerations Commission

CHRP Ali Abdullahi Surraw, the CEO/ Commission Secretary, Salaries and Remuneration Commission (SRC), vide a letter NA/DAA&GPC/PPC/2026/104 dated 22nd June, 2026 submitted as follows -

110) The National Treasury being responsible for the National Pension Policy and the administrator of the civil service pension schemes, may consider the Petitioners' request for amalgamation of all non-contributory civil service pension schemes within the existing legal, policy and fiscal provisions.
111) On the prayer for an actuarial study and gazettement of pension increases, the SRC submitted that Pensions Department under the National Treasury is the custodian of all data on retirees under the Pensions Act and the administrator of the civil service schemes. The department may initiate an actuarial study and recommend a pension increase for retirees under the Pensions Act in consultation with SRC, taking into account the prevailing fiscal realities.
112) Regarding the review of the Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190), the SRC submitted that the Pensions Department under the National Treasury is the body responsible for the management and administration of the Pensions Act (Cap 189) and the Pensions (Increase) Act Cap 190. Consequently, any review, repeal or amendment of the two laws should be initiated by or through the Pensions Department.
113) Consequently, the Pensions Department may also consider the petitioner's prayers taking into account the prevailing legal, policy and fiscal provisions. Any legislative amendments affecting review of the quantum of pension should however, be considered in consultation with SRC in line with Article 230 (4) (a) and (b) of the Constitution.

3.7 The Public Service Commission

Mr. Gerald Kauka, the Deputy CEO, Public Service Commission, appeared before the Committee on 11th August, 2026 and submitted as follows -

114) A Defined Benefit scheme guarantees a fixed retirement benefit calculated from an officer's pensionable salary and years of service, with the Government bearing the funding and investment risk. A Defined Contribution scheme guarantees no fixed benefit; instead, the employer and employee make prescribed contributions to an individual account, and the eventual payout depends on total contributions plus investment returns, with the member bearing the investment and longevity risk.
115) The move from the DB scheme under the Pensions Act (Cap. 189) to the DC scheme under the Public Service Superannuation Scheme Act, 2012 was intended to secure the long- term sustainability of public service pensions by funding benefits from accumulated contributions rather than government expenditure alone.
116) It is correct that, with effect from 1st January 2021, the public service transitioned from the Defined Benefits Scheme administered by the National Treasury to the Defined Contribution

Scheme established under the Public Service Superannuation Scheme Act (PSSS Act). Section 5 of the PSSS Act provides:

117) Membership of the Scheme -

i) A person who -

- ✓ at the commencement of this Act, is employed in the public service on permanent and pensionable establishment and -
  - has not attained the age of forty-five years;
  - if the person has attained the age of forty-five years opts, within three months of such commencement or such longer period as the Cabinet Secretary may, by notice in the Gazette, prescribe, that this Act shall apply to him; or
- ✓ joins the public service on or after the commencement of this Act on a permanent and pensionable establishment, shall be a member of the Scheme.

ii) For the avoidance of doubt, the law to be applied with respect to the retirement benefits of a person in the public service at the commencement of this Act who does not, where required, opt for the application of this Act under subsection (1)(a), shall be the law in force when that period of service commenced.

iii) A member, other than a member who has retired and has opted to be paid his benefits under section 28(2)(a), who for any reason leaves the public service shall cease to be a member of the Scheme.

118) Under Section 5(1)(a)(ii), every officer above 45 years at the PSSS's commencement was given the option to join the Scheme; no discrimination arose. Officers who chose to remain in the Defined Benefits Scheme did so by exercising that right. The claim that the transition created a discriminatory dual- pension architecture is therefore unfounded, as every officer over 45 years at the point of transition was free to choose.

119) As for officers who had already retired before the transition, the PSSS Act cannot apply retrospectively. The PSSS is, moreover, a contributory scheme; since these retirees did not contribute to it, they cannot now be converted to PSSS benefits and their pensions remain fully funded by the Government. In any event, discrimination arises only where persons in the same category are treated differently. In this case, retirees are treated uniformly under the Defined Benefits Scheme, and serving officers were transitioned to the PSSS uniformly, so no discrimination occurs in either group.

120) On the concerns regarding Sections 5 and 17 of the Pensions Act (Cap. 189), the National Treasury constituted a Multi- Agency Task Team in 2024 to review all the pension laws; whose membership includes the Public Service Commission. This review is ongoing, and any resulting amendments or repeals will go through the normal legislative process, which is expected to address these concerns.

121) The Commission agrees that periodic actuarial evaluations are needed to review pension benefits against inflation and the cost of living. This is among the matters the Multi- Agency Task Team is addressing, with proposals to be carried forward through the legislative process.

122) In conclusion, the Commission submits that the discrimination claim has been fully addressed above and does not hold. The remaining issues raised by the Petitioners have merit and are already under active consideration by the Multi- Agency Task Team under the National Treasury.

3.8 The Public Service Superannuation Fund

The CEO Public Service Superannuation Fund, Dr. Joel Aiyebai, appeared before the Committee on 11th August, 2026 and submitted as follows-

123) The Public Service Superannuation Fund (PSSF) is a defined contribution (DC) scheme that commenced on 1st January 2021 pursuant to Legal Notice No. 156 published in the Kenya Gazette Supplement No. 146 of 12th August 2020. It is established under the Public Service Superannuation Scheme Act, Cap 189A enacted in 2012 (the PSSS Act). PSSF is governed by a Board of Trustees and is regulated by the Retirement Benefits Authority under the Retirement Benefits Act Cap. 197.

124) PSSF was established in response to the unsustainability of the defined benefits arrangement under the Pensions Act Cap. 189 and in line with National Treasury Circular No. 18 of 2010 which directed all public service defined benefit schemes to convert to defined contribution schemes. The Scheme has the statutory mandate to:

- pay retirement benefits to members of the Scheme;
- ensure that every member of the Scheme receives his retirement benefits as and when they become due;
- assist to improve the social security of members of the Scheme by ensuring that the members save in order to cater for their livelihood during their retirement; and
- establish a uniform set of rules, regulations and standards for the administration and payment of retirement benefits for members of the scheme.

125) The Key features of PSSF are as follows: -

i) Membership: The scheme covers all public officers serving as teachers under the Teachers Service Commission, civil servants in the Public Service Commission, and the Disciplined Services Personnel (National Police Service, Kenya Prisons Service, and the National Youth Service) who were aged below 45 years as at 1 January 2021, all new entrants to the above services on or after 1 January 2021, and public servants whose services were transferred to county governments. Officers aged 45 years or above as at 1 January 2021who did not opt into PSSS remain under Cap. 189.

ii) Contributions: Members contribute 7.5% of their monthly basic salary and the Government contributes 15% of each member's monthly basic salary, constituting a direct charge on the Consolidated Fund.

iii) Benefits: Benefits are determined by the total accumulated contributions and the investment returns thereon, rather than a fixed formula. This transfers investment risk from the Government to the member.

iv) Portability: Benefits under the PSSS are fully portable and transferable to any other registered scheme.

v) Regulation: The scheme is regulated by the RBA and is required to comply with all requirements of the Retirement Benefits Act, including the maintenance of audited accounts and the holding of Annual General Meetings.

126) The table below sets out the key structural and legal differences between Cap. 189 and the PSSS;

Feature	PSSF (Contributory DC)	Cap. 189 (Non-Contributory DB)
Legal basis	Public Service Superannuation Scheme Act (Cap 189A), 2012	Pensions Act (Cap. 189), enacted 1946
Scheme type	Defined Contribution (DC) — accumulation-based	Defined Benefit (DB) — benefit formula-based
Member contributions	7.5% of monthly basic salary	None — fully employer-financed
Employer contributions	15% of monthly basic salary (charge on Consolidated Fund)	Pay-as-you-go from Consolidated Fund
Benefit calculation	Accumulated member + employer contributions + investment returns	1/480 x months of service x final salary
Benefit calculation	Accumulated member + employer contributions + investment returns	1/480 x months of service x final salary

Fund / asset backing	Fully funded — assets held in the Public Service Superannuation Fund	Unfunded — no assets set aside
Regulation	Regulated by the Retirement Benefits Authority (RBA)	Not regulated by RBA
Portability	Fully portable	Non-portable
Investment risk	Borne by the member	Borne entirely by Government
Vesting	Immediate vesting of contributions	After 10 years of pensionable service
Commencement	1 January 2021	1 January 1946
Membership	Officers aged below 45 years at commencement, those aged 45 years and above who opted in, and all new entrants on/or after 1 Jan 2021.	Officers in service before 1 Jan 2021.
Early exit benefits	Access on resignation, dismissal, ill-health, immigration, death	Forfeiture of pension if below 10 years; limited gratuity

127) In view of the foregoing analysis, PSSF submits as follow in regard to the issues raised in the public petition: -

Concerns about discrimination between different categories of public servants

128) The Petition before the Public Petitions Committee assumes that the existence of different pension arrangements for different categories of public servants is inherently discriminatory. That assumption is not accurate and is not supported the existing constitutional principles, local and international pension reform practices on dual pension arrangements.

129) The contributory and non-contributory schemes are administered under different legislative regimes and the commutation factors guiding the two schemes are based on their respective financing structures and designs. Since the Civil Service Pension Scheme is unfunded, it applies a commutation factor of ¼ while the Public Service Superannuation Fund has a commutation factor of ⅓ because it is funded.

Amalgamation of all non-contributory civil service pension schemes into single, unified and sustainable framework

130) The contributory and non-contributory schemes operate under different legal and statutory regimes. The non-contributory civil service scheme is unfunded and benefits are discharged on a pay-as-you-go model whereas PSSF is funded and both employees and the Government contribute towards members' retirement benefits. Amalgamation of the schemes may be undertaken but will require a policy directive by the Government through the National Treasury. Amalgamation would require at least the following conditions to be met:

a) Review of Primary legislation: Parliament has to enact a comprehensive amendment Act or a new consolidated public service pension Act. Such legislation would need to repeal Cap. 189 in whole or in part, amend the PSSS Act to accommodate a hybrid benefit structure, provide for the transfer of accrued liabilities, and preserve the vested rights of existing Cap. 189 members.
b) Constitutional compliance: any legislation must respect the vested rights of existing Cap. 189 pensioners and members under Article 40 of the Constitution. Conversion of accrued defined benefits to defined contribution accounts without consent or actuarially equivalent compensation would be unconstitutional. An opt-in mechanism, providing existing Cap. 189 members with a genuinely equivalent alternative, is the minimum constitutional requirement.
c) Actuarial equivalence: the transfer value of accrued Cap. 189 entitlements must be calculated by an independent qualified actuary and credited to individual DC accounts, or the merged scheme must establish a ring-fenced defined benefit sub-fund for Cap. 189 liabilities until they run off naturally.
d) Fiscal provision: Parliament must make adequate fiscal provision for the capitalisation of Cap. 189 liabilities, either directly from the Consolidated Fund, from a bond issuance, or through a structured multi-year funding plan approved by the National Treasury and the RBA.
e) RBA approval: the merged scheme must be registered with the RBA and comply with all applicable requirements of the Retirement Benefits Act.
f) Consultation and consent: in keeping with the principles of fair labour practices under Article 41 of the Constitution and the requirements of the Labour Relations Act (Cap. 234), the Government must meaningfully consult the relevant stakeholders before legislating any change that affects the terms of pensionable employment.

Request to the National Treasury and SRC to conduct an immediate actuarial study and gazette pension increases to mitigate the effects of inflation

131) PSSF is aware that the National Treasury conducted an actuarial assessment of the non-contributory civil service Pension Scheme as at 30th June 2024. Any decision regarding the implementation of the actuarial valuation report falls within the mandate of the National Treasury.

Review of the Pensions Act (Cap 189) and the Pensions Increase Act (Cap 190)

132) PSSF submits that the decision to grant additional pension increases through a review of the prevailing the statutory framework would require consideration and policy decision by the Government.

133) While a dual public service pension architecture exists under the Pensions Act and the Public Service Superannuation Scheme Act, the distinction between them and any possible amalgamation is rationally connected to legislative, regulatory, fiscal, actuarial and policy considerations. These matters fall within the broader mandate and jurisdiction of the National Treasury.

134) The issues raised by the Petitioners concern commutation of pension benefits, pension increases and inflation adjustments, dependants' benefits and administrative processes relating to pension payments. These matters concern the administration of pensions under the Pensions Act and are regulated principally by the Pensions Act (Cap. 189) and related legislation governing non-contributory public service pensions. Notably, the Petitioners' grievances do not concern matters within the mandate and statutory jurisdiction of PSSF (which are employee contributions, employer contributions, member accounts, Fund governance, investment management and benefits payable under PSSF).

PART FOUR

4 COMMITTEE OBSERVATIONS

Upon hearing from the Petitioners, the Ministry of Public Service, Human Capital Development and Special Programmes, the National Social Security Fund, Retirement Benefit Authority, Public Service Commission, the Salaries & Remunerations Commission and the Public Service Superannuation Fund and the National Treasury the Committee observed that;

135) A Defined Benefit scheme guarantees a fixed retirement benefit calculated from an officer's pensionable salary and years of service, with the Government bearing the funding and investment risk. A Defined Contribution scheme guarantees no fixed benefit; instead, the employer and employee make prescribed contributions to an individual account, and the eventual payout depends on total contributions plus investment returns, with the member bearing the investment and longevity risk.

136) The legacy arrangement (DB) is unfunded and financed through the Exchequer on a PAYG basis. PSSS (DC) is a funded contributory arrangement, supported by member and employer contributions and investment returns.

137) The move from the DB scheme under the Pensions Act (Cap. 189) to the DC scheme under the Public Service Superannuation Scheme Act, 2012 effective 1st January 2021 was intended to secure the long- term sustainability of public service pensions by funding benefits from accumulated contributions rather than government expenditure alone.

138) Under Section 5(1)(a)(ii) of the Public Service Superannuation Scheme Act, 2012, every officer above 45 years at the PSSS's commencement was given the option to join the Scheme. Officers who chose to remain in the Defined Benefits Scheme did so by exercising that right.

139) As for officers who had already retired before the transition, the PSSS Act cannot apply retrospectively. Since these retirees did not contribute to it, they cannot enjoy PSSS benefits funded by individual officers under PSSF.

140) The Petition incorrectly cites section 5 of the Pensions Act regarding the commutation of pension. The option to commute part of the pension is provided for under Regulation 27 of the Pensions (General) Regulations, which provides for the payment of a reduced pension together with a gratuity calculated in accordance with the prescribed formula. This provision is an option available to an eligible retiring officer, rather than an involuntary reduction imposed on every retiree. The arrangement allows a retiree to make a choice between receiving a higher periodic pension without commutation; or a reduced periodic pension together with a lump-sum gratuity.

141) The National Treasury had constituted a Multi- Agency Task Team to review all the pension laws; including a review of the Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190) with a view to modernising the legislative framework and addressing emerging policy, administrative and fiscal considerations under the National Retirement Benefits Policy.

142) The National Treasury and the Ministry of Public Service have undertaken reforms, including the digitization of records, electronic claims processing, beneficiary verification and the implementation of ePMIS. However, the continued scope for simplifying and streamlining pension administration underscores the need for further improvements in the timeliness, transparency and accessibility of pension services.

143) Such review should address pension adequacy, pension adjustments, commutation, survivor and dependant benefits, protection of accrued rights, administrative efficiency and long-term fiscal sustainability. The Committee further observed that any future structural changes to the public service pension system should be preceded by comprehensive actuarial, legal, financial and fiscal impact assessments and meaningful stakeholder engagement.

PART FIVE

5 COMMITTEE RECOMMENDATIONS

Pursuant to the provisions of Standing Order 227, the Committee responds to the Petition as follows-

1) On prayer that all non-contributory civil service pension schemes be amalgamated into a single, unified, equitable, and sustainable pension framework; **The committee declines to grant this prayer on the aforementioned observation that the PSSF is a member funded contributory arrangement.**

2) On prayer that the National Treasury and the Salaries and Remuneration Commission undertake an immediate actuarial review of public service pensions and gazette appropriate pension increases to cushion pensioners against the effects of inflation and the rising cost of living; **the Committee recommends that the National Treasury in liaison with the Salaries and Remunerations Commission conducts actuarial reviews every three (3) years and provide for resultant fiscal/ budgetary requirements. The first such actuarial review should be conducted by 31st December 2026.**

3) On the prayer that the Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190) be reviewed and amended to address existing gaps and ensure adequate protection of pensioners and their beneficiaries; **The Committee recommends that within ninety (90) days upon tabling of this report, the Multi- Agency Task Force through the National Treasury completes and submits to the National Assembly its report on review of the Pensions Act (Cap. 189), the Pensions (Increase) Act (Cap. 190) and the National Retirement Benefits Policy with proposals to modernize the legislative framework and address policy, administrative efficiency and fiscal considerations.**

Signed: _____ **Date:** 30-09-2026

HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

THE NATIONAL ASSEMBLY
PAPERS LAID
DATE: 30 SEP 2026 DAY. Wednesday
TABLED BY: Hon. Sitienei MP. Vice-chairperson
CLERK-AT THE-TABLE: Female

ANNEXURES

Annex 1: The Adoption List

Annex 2: Public Petition No. 08 of 2026 regarding amalgamation/conversion of former civil service non-contributory pension schemes to the current public service workers contribution scheme under the public service superannuation fund of 2021 and amendment of pensions act

Annex 3: Minutes of proceedings

PUBLIC PETITIONS COMMITTEE

ADOPTION LIST

(i) Consideration and adoption of the P/No. 15 of 2026 regarding Amalgamation of the Civil Service Non- contributory Pension Scheme and the Public Service Superannuation Fund by Mr. John Serem and 2 others on behalf of the Kenya National Association of Public Service Pensioners (Kericho Branch)

We, the undersigned, hereby affix our signatures to this Report to affirm our approval:

DATE: 2/9/2026.

	HON. MEMBER	SIGNATURE
1.	Hon. Muchangi Karemba,CBS, M.P.(Chairperson)	
2.	Hon. Janet Jepkemboi Sitienei, CBS, M.P.(Vice Chairperson)	
3.	Hon. Patrick Makau King'ola, M.P.	
4.	Hon. Beatrice Kadeveresia Elachi, CBS, M.P.	
5.	Hon. Joshua Chepyegon Kandie, M.P.	
6.	Hon. Maisori Marwa Kitayama, M.P.	
7.	Hon. Edith Vethi Nyenze, M.P.	
8.	Hon. Patrick Ntwiga Munene,CBS, M.P.	
9.	Hon. Paul Biego Kibichy, M.P.	
10.	Hon. (Eng.) Bernard Muriuki Nebart, M.P.	
11.	Hon. Peter Mbogho Shake, M.P.	
12.	Hon. Suzanne Ndunge Kiamba, M.P.	
13.	Hon. John Bwire Okano, M.P.	
14.	Hon. Sloya Clement Logova, M.P.	
15.	Hon. Peter Irungu Kihungi, M.P.	

REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY (FIFTH SESSION)

CONVEYANCE OF PUBLIC PETITION

(No. 08 of 2026)

REGARDING THE AMALGAMATION OF THE CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

1. **Honourable Members,** Article 119 of the Constitution of Kenya, 2010 accords every person the right to petition Parliament to consider any matter within its authority. Further, Standing Order 225(2)(b) requires the Speaker to report to the House any Petition other than that presented by a Member.

2. In this regard, Honourable Members, I wish to report to the House that my office has received a Petition from **Mr. John Serem**, **Eng. Richard Bett**, and **Ms. Olive Chepkoech**, on behalf of the **Kenya National Association of Public Service Pensioners (Kericho Branch)**. The Association represents former civil servants and retirees across the Republic.

3. The Petitioners aver that the enactment of the **Public Service Superannuation Scheme Act, 2012**, facilitated the transition from the traditional Non-Contributory Defined Benefit (DB) system to the current Defined Contributory (DC) scheme, effective 1st January 2021.

4. The Petitioners contend that this transition has created a discriminatory dual-pension architecture. They argue that while new entrants benefit from the modern contributory framework, existing retirees remain tethered to an obsolete system characterized by inadequate and irregular payments. This disparity, they claim, constitutes unconstitutional discrimination against persons of the same class of entitlement.

5. **Honourable Members**, the Petitioners further cite **Section 5 of the Pensions Act (Cap. 189)**, which defines a pension as an absolute right earned through service. They express grievance over the statutory requirement for retiring officers to commute one-quarter (¼) of their pension, asserting that this practice significantly diminishes the monthly disposable income available to retirees.

6. The Petitioners further recall that in 2014, the **Salaries and Remuneration Commission (SRC)**, guided by actuarial valuations, recommended a periodic review of pension benefits every three years to safeguard against inflation. They allege that the National Treasury has failed to undertake these comprehensive reviews, leaving pensioners exposed to economic hardships occasioned by the rising cost of living.

7. **Honourable Members**, the Petitioners are also concerned with the inconsistent application of **Section 17 of the Pensions Act**, which governs the payment of benefits to dependants. They claim that the administrative processes for next-of-kin to access benefits upon the death of a principal officer remain unnecessarily onerous and prohibitive.

8. **Honourable Members,** the Petitioners are concerned that the Government has inconsistently applied provisions of Section 17 of the Pensions Act that obligates payment of pension benefits to dependants upon the death of an officer. In this regard, access to Pension Benefits upon death of the Principal Officer by the respective next of kin remains administratively onerous hence violating the said provision.

9. The Petitioners confirm that the matters raised herein are not pending before any court of law or any other constitutional or legal body.

10. In view of the foregoing, the Petitioners pray that the National Assembly:

    (a) Directs the amalgamation of all non-contributory civil service pension schemes into a single, unified, and sustainable framework;
    (b) Urges the National Treasury and the SRC to conduct an immediate actuarial study and gazette pension increases to mitigate the effects of inflation; and

(c) Facilitates the review of the **Pensions Act (Cap. 189)** and the **Pensions (Increase) Act (Cap. 190)**.

11. **Honourable Members**, having determined that the matters raised are within the authority of this House, I hereby commit this Petition to the **Public Petitions Committee** for consideration, pursuant to **Standing Order 227(1**.

12. The Committee is required to consider the Petition and report its findings to the House and the Petitioners in accordance with Standing Order 227(2).

I Thank You!

Wetangula

THE RT. HON. (DR.) MOSES WETANG'ULA, SC, EGH, MP
SPEAKER OF THE NATIONAL ASSEMBLY

Date: ....4/6/26.....

MINUTES OF THE 53RD SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON WEDNESDAY, 2ND SEPTEMBER, 2026 IN MASHUA CONFERENCE ROOM, SERENA HOTEL, MOMBASA COUNTY AT 9:00 A.M.

PRESENT

1. Hon. Eric Muchangi Karemba, CBS M.P. - **Chairperson**
2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. - **Vice-Chairperson**
3. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
4. Hon. Joshua Chepyegon Kandie, M.P.
5. Hon. Maisori Marwa Kitayama, M.P.
6. Hon. (Eng.) Bernard Nebart Muriuki, M.P.
7. Hon. Edith Vethi Nyenze, M.P.
8. Hon. Paul Biego Kibichiy, M.P.
9. Hon. Peter Irungu Kihungi, M.P.
10. Hon. Suzanne Ndunge Kiamba, M.P.

APOLOGIES

1. Hon. Patrick Makau King'ola, M.P.
2. Hon. Peter Mbogho Shake, M.P.
3. Hon. Sloya Clement Logova, M.P.
4. Hon. Patrick Ntwiga Munene, CBS, M.P.
5. Hon. John Bwire Okano, M.P.

IN-ATTENDANCE

SECRETARIAT

1.	Mr. Oscar Namulanda	-	Deputy Director/HOD
2.	Mr. Victor Weke	-	Principal Clerk Assistant II
3.	Ms. Miriam Modo	-	Clerk Assistant I
4.	Mr. Bernard Toroitich	-	Clerk Assistant III
5.	Ms. Kafuyai Wamae	-	Clerk Assistant III
6.	Mr. Clinton Sindiga	-	Legal Counsel II
7.	Ms. Nancy Akinyi	-	Research Officer III
8.	Mr. Pascal Valerian	-	Hansard Officer II
9.	Mr. Collins Mahamba	-	Audio Officer
10.	Ms. Rahima Ahmed	-	Executive Secretary
11.	Mr. Paul Shana	-	Serjeant-at-Arms
12.	Mr. Mahlon Kiprono	-	Attachee
13.	Ms. Fridah Ngari	-	Media Relations Officer

MIN./PPC/2026/186: PRELIMINARIES

The Chairperson called the meeting to order at 9:00 am and Hon. Marwa Kitayama said the opening prayer.

MIN./PPC/2026/187: ADOPTION OF AGENDA

The proposed agenda was adopted having been proposed by Hon. Joshua Kandie, M.P and seconded by, Hon. Maisori Kitayama, M.P.

AGENDA

1. Prayer and Preliminaries
2. Adoption of the Agenda
3. Confirmation of previous Minutes
4. Matters Arising
5. Consideration and Adoption of the following Reports on: -
   (i) **Public Petition No. 02 of 2026 by the Hon. Gladys Boss, MGH, MP on behalf of the residents of Uasin Gishu County regarding production, distribution and consumption of illegal alcoholic brews in the county;**
   (ii) **Public Petition No. 15 of 2026 regarding reform of succession law and administration of estates in Kenya;**
   (iii) **Public Petition No. 08 of 2026 regarding amalgamation /conversion of former civil service non-contributory pension schemes to the current public service workers contribution scheme under the public service superannuation fund of 2021 and amendment of Pensions Act; and**
   (iv) **Public Petition No. 09 of 2026 regarding unpaid salary arrears and terminal dues by the former employees of Uchumi Supermarkets PLC.**
6. Any Other Business
7. Adjournment and Date of the Next Meeting

MIN./PPC/2026/188: CONFIRMATION OF MINUTES

This agenda item was deferred.

MIN./PPC/2026/189: CONSIDERATION AND ADOPTION OF REEPORTS ON VARIOUS PUBLIC PETITIONS

a) Public Petition No. 02 of 2026 by the Hon. Gladys Boss, MGH, MP on behalf of the residents of Uasin Gishu County regarding production, distribution and consumption of illegal alcoholic brews in the county

The Committee unanimously considered and adopted the Draft Report with the following recommendations having been proposed by the Hon. Joshua Kandie, MP and seconded by the Hon. Nebart Muriuki, MP –

1. On the prayer that the Committee investigates the status of implementation of regulations in place to curb production, distribution and consumption of illegal alcohol; the Committee found that implementation of the various laws has been weak and inconsistent. The Committee recommends that within three (3) months of tabling of this report;
   i. The Cabinet Secretary National Treasury, in liaison with KRA, fully operationalizes the Excise Duty (Remission of Excise Duty) Regulations, 2026;
   ii. The Cabinet Secretary Ministry of Interior & National Administration in liaison with the Council of Governors submits to Parliament proposals for harmonization of national-county Alcoholic Drinks Control regime as regards licensing;
   iii. The Cabinet Secretary Ministry of Interior & National Administration submits to Parliament draft amendments to the Alcoholic Drinks Control Act prescribing higher penalties for breaches of the law;

iv. The Cabinet Secretary Ministry of Trade & Industry in liaison with the Anti-Counterfeit Authority submit to Parliament draft amendments to the Anti-Counterfeit Act prescribing higher penalties for breaches of the law and criminal liability of beneficial owners of offending companies and address enforcement gaps; and

v. The Cabinet Secretary Ministry of Agriculture, Livestock and Fisheries in liaison with the Kenya Sugar Board submit draft amendments to the Sugar Act to provide for express provision for the licensing, monitoring and quarterly reporting by sugar millers of all molasses-based ethanol production; and mandatory disclosure of buyers, end-users and movement of ethanol consignments to KRA, KEBS and ACA.

2. On the prayer that the Committee determines the cause of the rampant production, distribution, and consumption of illegal alcohol in the country; the Committee found that the proliferation of illicit alcohol was due to a high tax regime, corruption amongst enforcement agencies, weak regulatory enforcement and smuggling of ethanol across borders. In particular, the NPS, KEBS and KRA bear the greatest responsibility. The Committee recommends that within three (3) months of tabling of this report;
   i. The Inspector General NPS and Commissioner General KRA report to the National Assembly on action taken to increase surveillance at the identified ethanol smuggling border points of Isibania, Shimoni, Busia, Mbale, Malaba, Lwakhakha, Namanga, Lunga Lunga and Moyale;
   ii. The Managing Director KEBS submits a strategy paper on revamped enforcement, quality assurance and inspection and market surveillance measures.

3. On the prayer that the Committee recommends a multiagency approach to curb the production, distribution and consumption of illegal alcohol, the Committee recommends that within three (3) months of tabling of this report the Cabinet Secretary Ministry of Interior & National Government submits to Parliament draft legislation to anchor the Multi-Agency Taskforce into law. This taskforce should comprise the Ministry's NGAO, NPS, NIS, KRA, KEBS, NACADA, ACA, COG, Ministry of Health, ODPP, EACC, and any other relevant government agency.

b) Public Petition No. 15 of 2026 regarding reform of Succession Law and Administration of Estates in Kenya

The Committee considered and adopted the Draft Report unanimously with amendments to recommendation (1) having been proposed by the Hon. Joshua Kandie, MP and seconded by the Hon. Edith Vethi Nyenze, MP as follows –

1. On the prayer that the Committee initiates a review and amendment of the Law of Succession Act (Cap.160), to provide for simplified succession procedures for small estates, administrative settlement of uncontested estates, as well as expanded and decentralized probate services across the country; The Committee recommends that within ninety (90) days of tabling of this report, the Attorney General in liaison with the Kenya Law Reform Commission submits to the National Assembly proposals to amend the Law of Succession Act, including but not limited to, estates below a prescribed value be wound

up through a fastened and simplified procedure, introduction of a dedicated statutory small estate track defined by a monetary value threshold, administrative processing of uncontested cases and vest concurrent original jurisdiction over succession matters in lower (magistrates) courts for estates not exceeding a prescribed monetary value.

2. On the prayer that the Committee calls for review and rationalization of costs associated with succession processes, promotion of digitization and integration of succession, civil registration, and land administration systems, and strengthening of mediation and alternative dispute resolution mechanisms in succession matters; The Committee recommends that within ninety (90) days of tabling of this report, the Attorney General gazettes revised Probate and Administration (Fees) Rules to introduce a sliding scale fee structure with reduced or waived fees for small estates and income-tested waivers for indigent applicants.

   Further the Attorney General ensures that an Integrated Digital Succession Platform is rolled-out through Huduma Centres and the e-Citizen portal. Additionally, a dedicated probate registry be established at the county level in all forty-seven counties, within the financial year 2026/27.

3. On the prayer that the Committee takes any other legislative and administrative measures necessary to facilitate timely, accessible, and equitable succession processes in Kenya; the Committee recommends that within ninety (90) days of tabling of this report, the Attorney General submits to the National Assembly amendments to the Legal Aid Act, (Cap 16A) to expressly include succession matters within the defined scope of legal aid services.

c) Public Petition No.8 of 2026 regarding amalgamation /conversion of former civil service non-contributory pension schemes to the current public service workers contribution scheme under the public service superannuation fund of 2021 and amendment of Pensions Act

The Committee unanimously considered and adopted the Draft Report with the following recommendations having been proposed by the Hon. Edith Vethi Nyenze, MP and seconded by the Hon. Marwa Kitayama, MP –

(i) On prayer that all non-contributory civil service pension schemes be amalgamated into a single, unified, equitable, and sustainable pension framework; The committee declines to grant this prayer.

(ii) On prayer that the National Treasury and the Salaries and Remuneration Commission undertake an immediate actuarial review of public service pensions and gazette appropriate pension increases to cushion pensioners against the effects of inflation and the rising cost of living; the Committee recommends that the National Treasury in liaison with the Salaries and Remunerations Commission conducts actuarial reviews every three (3) years and provides for resultant fiscal budgetary requirements. The first such actuarial review should be conducted by 31st December 2026.

(iii) On the prayer that the Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190) be reviewed and amended to address existing gaps and ensure adequate protection of pensioners and their beneficiaries; The Committee recommends that within three (3) months of tabling of this report, the Multi- Agency Task Force through the National Treasury completes and submits to the National Assembly its report on review of the Pensions Act (Cap. 189), the Pensions (Increase) Act (Cap. 190) and the National Retirement Benefits Policy with proposals to modernize the legislative framework and address policy, administrative efficiency and fiscal considerations.

d) Public Petition No.9 of 2026 regarding unpaid salary arrears and terminal dues by the former employees of Uchumi Supermarkets PLC.

The Committee considered and adopted the Draft Report unanimously with the following recommendation having been proposed by the Hon. Peter Irungu Kinhungi, M.P and seconded by the Hon. (Eng.) Benard Nebart Muriuki, MP –

i. On the prayer that the Committee ensures transparency in the management of lease proceeds and other company assets; the Committee notes that the company had availed audited financial statements and recommends that the management avails to the CVA supervisor/ monitor quarterly written updates on operations of the company.

ii. On the prayer that the Committee facilitates the establishment of a clear timeline and mechanism for the resolution of all pending CVA obligations relating to former staff; the Committee recommends that subsequent to implementation of recommendation (c) below, dues owing to former employees totaling Kshs. 521,724,214 be fully settled as a matter of priority. The Committee recommends that management of Uchumi Supermarkets meet with the petitioners and representatives of the former employees and the respective workers' union within one (1) month of tabling of this report and provides breakdown of amounts owed to each former employee. A signed consent by all parties be filed with the National Assembly within two (2) weeks thereafter.

MIN./PPC/2026/190: ADJOURNMENT AND DATE OF THE NEXT MEETING

There being no other business, the meeting was adjourned at 4:30 p.m.

Sign: ..... **Date** 30-09-26

HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

MINUTES OF THE 51ST MEETING OF THE PUBLIC PETITIONS COMMITTEE HELD ON TUESDAY, 20TH AUGUST 2026 IN COMMITTEE ROOM 25, 5TH FLOOR, BUNGE TOWER AT 11:40 A.M.

PRESENT

1. Hon. Muchangi Karemba, CBS, M.P. - **Chairperson**
2. Hon. Edith Vethi Nyenze, M.P. - **Session Chair**
3. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
4. Hon. John Bwire Okano, M.P
5. Hon. Suzanne Ndunge Kiamba, M.P.
6. Hon. Joshua Chepyegon Kandie, M.P.
7. Hon. (Eng.) Bernard Nebart Muriuki, M.P.
8. Hon. Maisori Marwa Kitayama, M.P.

APOLOGIES

1. Hon. Janet Jepkemboi Sitienei, CBS, M.P. – **Vice chairperson**
2. Hon. Patrick Makau King'ola, M.P.
3. Hon. Patrick Ntwiga Munene, CBS, M.P.
4. Hon. Peter Mbogho Shake, M.P.
5. Hon. Sloya Clement Logova, M.P.
6. Hon. Peter Irungu Kihungi, M.P.
7. Hon. Paul Biego Kibichy, M.P.

IN-ATTENDANCE

SECRETARIAT

1. Ms. Miriam Modo	-	First Clerk Assistant
2. Mr. Bernard Toroitich	-	Clerk Assistant III
3. Ms. Kafuyai Wamae	-	Clerk Assistant III
4. Mr. Clinton Sindiga	-	Legal Counsel II
5. Mr. Paul Shana	-	Senior Serjeant at arms
6. Mr. Pascal Valerian	-	Hansard Officer II
7. Ms. Nancy Akinyi	-	Research Officer III
8. Mr. Viola Saiya	-	Research Officer III
9. Mr. Collins Mahamba	-	Audio Officer
10. Ms. Felistus Muiya	-	Public Communication Officer
11. Ms. Fridah Ngari	-	Media Relations Officer
12. Mr. Marlon Kiprono	-	Intern

OFFICE OF THE PRINCIPAL SECRETARY.

1. Mr. Michael A. Kagika, EBS	- Secretary Pensions
2. Ms. Angela Kiptoo	- Corporation Secretary
3. Mr. Eric Obino	- Accountant I
4. Ms. Anne Macharia	- Pension Assistant

MIN./PPC/2026/264: PRELIMINARIES

The Chairperson called the meeting to order at 11:40 am and said a word of prayer.

MIN./PPC/2026/265: ADOPTION OF AGENDA

The proposed agenda was adopted hereunder having been proposed by Hon. Maisori Marwa Kitayama, M.P. and seconded by, Hon. (Eng.) Bernard Nebart Muriuki, M.P.

AGENDA

1. Prayer & Preliminaries
2. Adoption of the Agenda
3. Confirmation of the Previous Minutes
4. Matters Arising
5. **Meeting with the Principal Secretary of the National Treasury on Public Petition No. 08 of 2026 regarding Amalgamation of the Civil Service Non-contributory Pensions Scheme and the Public service Superannuation Fund.**
6. Any Other Business
7. Adjournment.

MIN./PPC/2026/266: MEETING WITH THE PRINCIPAL SECRETARY OF THE NATIONAL TREASURY.

Mr. Alfred Kagika, Secretary Pensions appeared on behalf of the Principal Secretary OF the National Treasury Vide Letter Ref: TNT/CONF 268 /019 TY (61) dated 19th August,2026 Submitted as follows:

a) ***Existence of Two Pension Schemes***
The Secretary, Pensions, informed the Committee that the National Treasury rejected the argument that the existence of the two pension schemes amounted to discrimination. He explained that the difference arose from the transition from the former Defined Benefit (DB) system to the new contributory Defined Contribution (DC) system, with accrued rights under the former scheme being protected.

b) ***Civil Service Non-Contributory Pension Scheme***
He explained that the legacy Civil Service Pension Scheme was an unfunded, non-contributory Defined Benefit scheme financed through the Consolidated Fund. As at July 2026, the scheme had approximately 319,207 pensioners and beneficiaries, with a monthly pension payroll of approximately KSh. 7.8 billion.

c) ***Public Service Superannuation Scheme (PSSS)***
The Secretary further informed the Committee that the Public Service Superannuation Scheme (PSSS) was a funded, contributory Defined Contribution scheme. As at June 2026, the scheme had approximately 529,635 active members and assets amounting to KSh 343.75 billion.

d) ***Amalgamation of the Schemes***
The National Treasury did not support the immediate amalgamation of the two schemes, arguing that such a move could expose the Government to significant fiscal liabilities and potentially threaten the accrued retirement savings of members of the PSSS.

e) ***Pension Reform Measures***
The Secretary acknowledged the concerns raised regarding pension adequacy, the impact of inflation, delays in pension payments, commutation and survivor benefits. He outlined ongoing and proposed reforms, including the implementation of the electronic Pension Management Information System (ePMIS), digitization and automation of pension processes, as well as the review of the pension laws.

Committee Observations

The Committee observed that, while the two pension schemes have legitimate structural, legal and financing differences, concerns raised by pensioners regarding pension adequacy, loss of purchasing power due to inflation, delays in payment, commutation and access to survivor and dependent benefits require concrete, timely and measurable interventions.

The Committee further observed that the National Treasury's position on the non-amalgamation of the two schemes should be supported by comprehensive actuarial, legal and fiscal assessments demonstrating the implications, risks and sustainability of the existing arrangements. The Committee emphasizes that the accrued pension rights and benefits of all members and pensioners must remain protected.

Committee Recommendations

The Committee recommended that the National Treasury:

1. Undertakes and periodically publishes comprehensive actuarial, legal and fiscal assessments of the legacy pension obligations, and uses the findings to develop a transparent, equitable and sustainable framework for pension adjustments and long-term management of pension liabilities;
2. Fast-tracks the review of the Pensions Act and the Pensions (Increase) Act with a view to strengthening the legal framework governing pension administration and ensuring that pension benefits remain responsive to changes in the cost of living;
3. Strengthens pension administration and payment systems to ensure timely, accurate and efficient processing and payment of pensions, including full implementation and optimization of the electronic Pension Management Information System (ePMIS); and
4. Simplifies and expedites the processing of survivor and dependent benefits and establishes clear, enforceable timelines for the determination and settlement of pending pension claims.

MIN./PPC/2026/267: ADJOURNMENT

There being no other business, the meeting was, adjourned at 1:45 p.m. The next meeting will be held on Tuesday, 25th August 2026.

Sign: ..... **Date** .....

HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

MINUTES OF THE 48TH MEETING OF THE PUBLIC PETITIONS COMMITTEE HELD ON TUESDAY 18TH AUGUST 2026 IN COMMITTEE ROOM 20, FLOOR, 3RD BUNGE TOWER AT 11:40 A.M.

PRESENT

1. Hon. Muchangi Karemba, CBS M.P. - **Chairperson**
2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. - **Vice-Chairperson**
3. Hon. Peter Irungu Kihungi, M.P.
4. Hon. Paul Biego Kibichiy, M.P.
5. Hon. Suzanne Ndunge Kiamba, M.P.
6. Hon. Joshua Chepyegon Kandie, M.P.
7. Hon. Edith Vethi Nyenze, M.P.
8. Hon. (Eng.) Bernard Nebart Muriuki, M.P.

APOLOGIES

1. Hon. Patrick Makau King'ola, M.P.
2. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
3. Hon. Maisori Marwa Kitayama, M.P.
4. Hon. Patrick Ntwiga Munene, CBS, M.P.
5. Hon. Peter Mbogho Shake, M.P.
6. Hon. John Bwire Okano, M.P.
7. Hon. Sloya Clement Logova, M.P.

IN-ATTENDANCE

SECRETARIAT

1. Ms. Miriam Modo - Senior Clerk Assistant
2. Mr. Bernard Toroitich - Clerk Assistant III
3. Ms. Kafuyai Wamae - Clerk Assistant III
4. Mr. Clinton Sindiga - Legal Counsel II
5. Mr. Pascal Valerian - Hansard Officer II
6. Ms. Nancy Akinyi - Research Officer III
7. Mr. Viola Saiya - Research Officer III
8. Mr. Collins Mahamba - Audio Officer
9. Ms. Felistus Muiya - Public Communication Officer
10. Ms. Fridah Ngari - Media Relations Officer
11. Mr. Marlon Kiprono - Intern

MINISTRY OF PUBLIC SERVICE, HUMAN CAPITAL DEVELOPMENT AND SPECIAL PROGRAMMES

1. Dr. Jane Imbunya - Principal Secretary
2. Mr. William Okoth - Director, Human Resource Policy
3. Mr. Martin Situma - Director, Human Resource Policy
4. Ms. Gertrude Gitonga -
5. Mr. Zablon Injugu - Parliamentary Liaison Officer

PUBLIC SERVICE COMMISSION

1. Mr. Gerald Kuhaka - Deputy Commission Secretary-Corporate Services
2. Mr. Mosoti Momanyi - Deputy Commissioner Secretary General
3. Mr. Kiprono Philemon - Director, Research

PUBLIC SERVICE SUPERANNUATION SCHEME

1. Mr. Jonah Yabei - Chief Executive Officer
2. Mr. David Keya - Manager, Benefits
3. Ms. Angela Kiptoo - Corporate Secretary
4. Mr. Njoroge Ngumbo - Officer

MIN./PPC/2026/247: PRELIMINARIES

The Chairperson called the meeting to order at 11:40 am and said a word of prayer.

MIN./PPC/2026/248: ADOPTION OF AGENDA

The proposed agenda was adopted hereunder having been proposed by Hon. Joshua Chepyegon Kandie, M.P, and seconded by, Hon. Peter Irungu Kihungi, M.P.

AGENDA

1. Prayer & Preliminaries.
2. Adoption of the Agenda.
3. Confirmation of the Previous Minutes.
4. Matters Arising.
5. **Meeting with the following on Public Petition No. 08/2026 regarding Amalgamation of the Civil Service Non- Contributory Pension Scheme and the Public Service Superannuation Fund-**
   - **i) Principal Secretary State Dept. for Public Service & Human Capital Development;**
   - **ii) Chief Executive Officer Public Service Commission; and**
   - **iii) Chief Executive Officer Public Service Superannuation Scheme (PSSF).**
6. Any Other Business; and
7. Adjournment.

MIN./PPC/2026/249: CONFIRMATION OF MINUTES OF THE PREVIOUS MEETINGS

This agenda item was deferred to the next sitting.

MIN./PPC/2026/250: MEETING WITH VARIOUS STAKEHOLDERS ON PUBLIC PETITION NO. 08 OF 2026 REGARDING AMALGAMATION OF THE CIVIL SERVICE NON CONTRIBUTORYPENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

Submissions by the Principal Secretary, State Department for Public Services and Human Capital Development

Dr. Jane Imbunya, the Principal Secretary, State Department for Public Services and Human Capital Development, appeared before the Committee accompanied by officers from the State Department. She submitted that the transition from the non-contributory Defined Benefit (DB) Pension Scheme established under the Pensions Act (Cap. 189) to the contributory Defined Contribution (DC) Public Service Superannuation Scheme (PSSS) was primarily driven by the need to -

(i) make public pension costs fiscally sustainable and predictable;
(ii) shift funding risks away from future taxpayers;
(iii)align Kenya's public service pension arrangements with modern retirement benefits practices;

(iv)mobilise domestic savings for economic development; and
(v) enhance transparency and give members greater ownership of their retirement savings.

Submissions by the Public Service Commission

Mr. Gerald Kuhaka, the Deputy Commission Secretary, Public Service Commission (PSC), appeared before the Committee on behalf of Mr. Paul Famba, the Chief Executive Officer. He submitted a letter, Ref. No. PSC/ADM/14, authorising him to appear before the Committee on behalf of the Chief Executive Officer.

He further submitted that the alleged discrimination had been fully addressed and that the claim did not hold. He informed the Committee that the National Treasury had constituted a Multi-Agency Task Team in 2024 to undertake a review of all pension laws, with the Public Service Commission being represented in the Task Team. The review was ongoing and any amendments or repeals arising therefrom would be undertaken through the normal legislative process.

He further submitted that the other issues raised by the Petitioners had merit and were already under active consideration by the Multi-Agency Task Team established under the National Treasury.

Submissions by the Public Service Superannuation Scheme

Mr. Jonah Yabei, the Chief Executive Officer, Public Service Superannuation Scheme (PSSS), appeared before the Committee accompanied by officers from the Scheme. He submitted that Kenya has a dual public service pension architecture comprising arrangements established under the Pensions Act and the Public Service Superannuation Scheme Act. He noted that the distinction between the two schemes, as well as any consideration of their possible amalgamation, was rationally connected to legislative, regulatory, fiscal, actuarial and policy considerations, which fell within the broader mandate and jurisdiction of the National Treasury.

He submitted that the issues raised by the Petitioners related principally to the commutation of pension benefits, pension increases and inflation adjustments, dependants' benefits, and administrative processes relating to the payment of pensions.

He further submitted that these matters concerned the administration of pensions under the Pensions Act (Cap. 189) and the related legislative framework governing non-contributory public service pensions.

Committee Observations

The Committee made the following observations -

(i) The National Treasury, through the Pensions Department, is responsible for the processing and payment of retirement benefits, gratuities and other dues to public service retirees, including civil servants, teachers, police officers, members of the military and Members of Parliament;
(ii) The disparity in the payment of benefits to retirees and their beneficiaries and dependants was justified, noting that one-third of the pension lump sum is paid to the retiree as a one-off payment, while the remaining two-thirds is paid as an annuity, with the retiree or dependant having discretion, subject to the applicable provisions, on the preferred payment structure or frequency; and
(iii)A Pension Tracking Module had been developed to facilitate the tracking and monitoring of pension claims and payments but its operationalization had stalled due to inadequate funding.

Committee Recommendations

The Committee resolved to engage the National Treasury to -

(i) apprise the Committee on the progress made by the Multi-Agency Task Team established in 2024 to review the pension laws, including the status of the review and any proposed legislative or policy interventions;

(ii) apprise the Committee on the decisions and measures taken pursuant to the actuarial assessment of the non-contributory Civil Service Pension Scheme undertaken as at 30th June 2024; and

(iii) apprise the Committee on the measures being undertaken to secure funding, operationalize and fast-track the implementation of the stalled Pension Tracking Module.

MIN./PPC/2026/251: ADJOURNMENT

There being no other business, the meeting was adjourned at 1:40 p.m. The next meeting will be held on Thursday, 13th August 2026.

Sign: ..... **Date** 20/08/26

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

MINUTES OF THE 43RD MEETING OF THE PUBLIC PETITIONS COMMITTEE HELD ON THURSDAY, 2ND JULY, 2026 IN COMMITTEE ROOM 24, FLOOR, 5TH BUNGE TOWER AT 11:50 A.M.

PRESENT

1. Hon. Muchangi Karemba, CBS M.P. - **Chairperson**
2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. - **Vice-Chairperson**
3. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
4. Hon. Maisori Marwa Kitayama, M.P.
5. Hon. (Eng.) Bernard Nebart Muriuki, M.P
6. Hon. Paul Biego Kibichiy, M.P.
7. Hon. Edith Vethi Nyenze, M.P.

APOLOGIES

1. Hon. Patrick Makau King'ola, M.P.
2. Hon. Joshua Chepyegon Kandie, M.P.
3. Hon. Suzanne Ndunge Kiamba, M.P.
4. Hon. Peter Irungu Kihungi, M.P.
5. Hon. Patrick Ntwiga Munene, CBS, M.P.
6. Hon. John Bwire Okano, M.P.
7. Hon. Peter Mbogho Shake, M.P.
8. Hon. Sloya Clement Logova, M.P.

IN-ATTENDANCE

SECRETARIAT

1. Mr. Victor Weke - Principal Clerk Assistant II
2. Mr. Bernard Toroitich - Clerk Assistant III
3. Ms. Kafuyai Wamae - Clerk Assistant III
4. Ms. Rose Njuki - Senior Serjeant at arms
5. Mr. Clinton Sindiga - Legal Counsel II
6. Mr. Pascal Valerian - Hansard Officer II
7. Ms. Nancy Akinyi - Research Officer III
8. Mr. Arkan Mumin - Research Officer III
9. Mr. Collins Mahamba - Audio Officer
10. Ms. Fridah Ngari - Media Relations Officer
11. Mr. Mahlon Kiprono - Intern

PUBLIC SERVICE SUPERANNUATION SCHEME

1. Dr. Jonah Aiyabei - Chief Executive Officer, Public Service Superannuation Scheme
2. Ms. Angela Kiptoo - Corporation Secretary (PSSF)
3. Ms. Shemith Kariuki - Legal officer (PSSF)
4. Mr. David Keya - Manager Benefit (PSSF)

PUBLIC SERVICE COMMISSION

1. Mr. Gerald Kuhuka,OGW - Deputy Commissioner Secretary(PSC)
2. Ms. Caroline Kiget - Director HRM
3. Ms. Wangeci Gichangi - Ag. Dirctor Legal
4. Dr. Kiprono Philemon - Director Research

MIN./PPC/2026/220: **PRELIMINARIES**

The Chairperson called the meeting to order at 11:50 am and said a word of prayer.

MIN./PPC/2026/221: **ADOPTION OF AGENDA**

The proposed agenda was adopted hereunder having been proposed by Hon. Beatrice Kadeveresia Elachi, CBS, M.P, and seconded by, Hon. Paul Biego Kibichiy, M.P

AGENDA

1. Prayer & Preliminaries;
2. Adoption of the Agenda;
3. Confirmation of the Previous Minutes;
4. Matters Arising;
5. **Meeting with the following regarding Public Petition No. 08/2026 on Amalgamation of the Civil Service Non-Contributory Pension Scheme and the Public Service Superannuation Fund-**
   (i) Principal Secretary, State Department for Public Service & Human Capital Development
   (ii) Chief Executive Officer, Public Service Commission
   (iii) Chief Executive Officer, Public Service Superannuation Scheme
6. Any other Business; and
7. Adjournment

MIN./PPC/2026/222: **CONFIRMATION OF MINUTES**

This agenda item was deferred to the next sitting.

MIN./PPC/2026/223: **MEETING WITH STAKEHOLDERS REGARDING PUBLIC PETITION NO.08/2026 ON AMALGAMATION OF THE CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND**

The meeting was convened as scheduled. However, deliberation on the substantive agenda could not proceed due to the unavoidable absence of two key officials. The Principal Secretary, State Department for Public Service and Human Capital Development, and the Chief Executive Officer of the Public Service Commission communicated their inability to attend the meeting through letters Ref. MPS&HCD.6 VOL XII (21) dated 1st July 2026 and Ref. PSC/ADM/26/VI/(19) dated 2nd July 2026, respectively.

Having considered the significance and sensitivity of the matters raised in the petition, the Committee resolved that the attendance of both the Principal Secretary and the Chief Executive Officer was necessary to adequately address Members' concerns and provide the requisite responses. Consequently, the Committee deferred consideration of the petition to a later date, when the two accounting officers would be available to appear before it.

MIN./PPC/2026/224: **ANY OTHER BUSINESS**

The Committee unanimously resolved to convene a report-writing retreat from **Tuesday, 21st July to Saturday, 25th July 2026**, to deliberate on and finalize its findings and recommendations on the pending reports awaiting adoption.

MIN./PPC/2026/225: **ADJOURNMENT**

There being no other business, the meeting was adjourned at 1:45 p.m. The next meeting will be held on notice.

Sign: ..... **Date** 20/08/2026

HON. MUCHANGI KAREMBA, CBS, M.P.

CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

MINUTES OF THE 40TH SITTING OF THE PUBLIC PETITIONS COMMITTEE HELD ON THURSDAY, 16TH JUNE, 2026 IN COMMITTEE ROOM 25, FLOOR, 5TH BUNGE TOWER AT 11:40 A.M.

PRESENT

1. Hon. Muchangi Karemba, CBS M.P. - **Chairperson**
2. Hon. Janet Jepkemboi Sitienei, CBS, M.P. - **Vice-Chairperson**
3. Hon. Beatrice Kadeveresia Elachi, CBS, M.P.
4. Hon. Joshua Chepyegon Kandie, M.P.
5. Hon. Edith Vethi Nyenze, M.P.
6. Hon. Suzanne Ndunge Kiamba, M.P.
7. Hon. Paul Biego Kibichiy, M.P.

APOLOGIES

1. Hon. Patrick Makau King'ola, M.P.
2. Hon. (Eng.) Bernard Nebart Muriuki, M.P.
3. Hon. Peter Irungu Kihungi, M.P.
4. Hon. Maisori Marwa Kitayama, M.P.
5. Hon. Patrick Ntwiga Munene, CBS, M.P.
6. Hon. John Bwire Okano, M.P.
7. Hon. Peter Mbogho Shake, M.P.
8. Hon. Sloya Clement Logova, M.P.

IN-ATTENDANCE

SECRETARIAT

1. Ms. Miriam Modo	-	Clerk Assistant I
2. Mr. Bernard Toroitich	-	Clerk Assistant III
3. Ms. Kafuyai Wamae	-	Clerk Assistant III
4. Mr. Clinton Sindiga	-	Legal Counsel II
5. Ms. Nancy Akinyi	-	Research Officer III
6. Mr. Collins Mahamba	-	Audio Officer
7. Ms. Felistas Muiya	-	Public Communications Officer
8. Ms. Fridah Ngari	-	Media Relations Officer
9. Ms. Rose Njuki	-	Senior Serjeant at arms
10. Mr. Pascal Valerian	-	Hansard Officer II
11. Mr. Brian Merimung'	-	Intern
12. Mr. Daniel Mumo	-	Intern

KENYA NATIONAL ASSOCIATION OF PUBLIC SERVICE RETIREES

1. Mr. John Serem	-	Chairperson
2. Mr. Joseph Langat	-	Vice Chairperson
3. Ms. Olive Chepkoech	-	Communications Officer
4. Ms. Aggrey Cheroitich	-	Information Technology Officer

TAITA TAVETA HUMAN RIGHTS WATCH

1. Eng.John Mruttu
2. Mr.Haji Mohamed Mwakio
3. Mr. Naure Mbaraka
4. Mr.John Mwakughu
5. Ms.Phebronia Mwasaku
6. Rev. Rose Rugendo
7. Mr.Kennedy Metion
8. Mr.Moses Maina Mruttu
9. Ms. Ramadhani Itambu
10. Mr.Brian Kahindi
11. Mr. Thomas Mzenge
12. Ms. Agripina Fumbu

MIN./PPC/2026/205: PRELIMINARIES

The Chairperson called the meeting to order at 11:40 am and the Hon. Beatrice Elachi, M.P said a word of prayer.

MIN./PPC/2026/206: ADOPTION OF AGENDA

The proposed agenda was adopted hereunder having been proposed by Hon. Joshua Chepyegon Kandie, M.P and seconded by, Hon. Edith Vethi Nyenze, M.P

AGENDA

1. Prayer & Preliminaries;
2. Adoption of the Agenda;
3. Confirmation of the Previous Minutes;
4. Matters Arising;
5. Meeting with the petitioners:
   i. Petition No.8 of 2026 on amalgamation of the civil service noncontributory pension scheme and the public service superannuation fund; and
   ii. Petition No.15 of 2026 on succession law and administration of estates in Kenya.
6. Any other Business; and
7. Adjournment

MIN./PPC/2026/207: CONFIRMATION OF MINUTES

This agenda item was deferred to the next sitting.

MIN./PPC/2026/208: MEETING WITH PETITIONERS

i. **Petition No.8 of 2026 on amalgamation of the civil service non-contributory pension scheme and the public service superannuation fund.**

The petitioners appeared before the Committee and submitted as follows-

The Petitioners are public service pensioners who are adversely affected by the current pension framework governing the public service. The Government, through the Public Service Superannuation Scheme Act, 2012, converted the previous Non-Contributory Defined Benefit (DB) pension scheme to a Defined Contributory (DC) scheme effective 1st January 2021.

This conversion excluded new entrants from the old scheme, leaving existing pensioners under an obsolete system whose obligations remain unmet in terms of adequacy and regularity of payment.

The current dual-pension architecture discriminates against former public servants under the Non-Contributory Defined Benefit pension scheme, who receive inadequate and irregular payments compared to the Defined Contributory scheme. They contend that this disparity amounts to unconstitutional discrimination among persons of the same class of entitlement.

In 2014, the Salaries and Remuneration Commission (SRC), based on Actuarial Study valuation, recommended a 50% increase in the tax-free pension contribution limit under the Defined Benefit (DB) pension scheme every three years. of pension by under the old Defined Benefit System, once every three years. However, no comprehensive actuarial pension review has been undertaken in conformity with the recommendations, leaving pensioners vulnerable to economic attrition.

The Government has inconsistently applied provisions of Section 17 of the Pensions Act that obligates payment of pension benefits to dependants upon the death of an officer. In this regard, access to Pension Benefits upon death of the Principal Officer by the respective next of kin remains administratively onerous hence violating the said provision.

Petitioners Prayers

The Petitioners prayed that the Committee conduct an investigation and recommend for-

i. Directs the amalgamation of all non-contributory civil service pension schemes into a single, unified and sustainable framework;
ii. Urges the National Treasury and the SRC to conduct an immediate actuarial study and gazette pension increases to mitigate the effects of inflation; and
iii. Facilitates the review of the Pensions Act(Cap.189) and the Pensions (Increase) Act(Cap.190)

Clarifications by the petitioner

Approximately 25% of public service pensioners currently earn below Ksh. 4,000 per month in pensions, which is below the average overall poverty line. The petitioners have contributed significantly to the development of the country hence they deserve to be catered for under an enhanced post-retirement medical schemes. A voluntary post-retirement medical scheme should be established for pensioners to guarantee the highest attainable standard of health.

There is a large number of retirees who possess knowledge and expertise in various areas hence retirees ought to be viewed as human capital. They have the benefit of expertise, experience and information and they can offer consultancy. This will result to a source of income for the retirees that will ease their financial burdens after retirement.

The next of kin for retirees are only paid their benefits for five years after which the payments cease. This inconveniences the beneficiaries because of the short time frame of five years.

Committee Observations

The Committee observed as follows: -

THAT-

1. The petitioner alleges to have made advances to the Retirement Benefits Authority and they did not get any audience or recourse.
2. Each occupational scheme has its own retirement schemes that may not necessarily be similar to the government scheme.
3. There is need to involve all pensioners, unions, labor groups and other stakeholders for

Committee Recommendations

The Committee resolved –

To engage -

a) The National Treasury;
b) The Salaries and Remuneration Commission;
c) The Retirement Benefits Authority;
d) The National Social Security Fund; and
e) The Attorney General.

ii. **Petition No.15 of 2026 on succession law and administration of estates in Kenya.**

The petitioners appeared before the Committee and submitted as follows-
A substantial proportion of productive assets in Kenya, particularly land, remain registered in the names of deceased persons due to delayed succession processes, and in many instances, the process is not completed for periods ranging between twenty (20) and forty (40) years after the passing on of persons holding the assets.

The Petitioners aver that succession procedures under the current legal framework are complex, costly, and inaccessible to ordinary citizens. Further, that such procedures involve multiple steps, including court filings, gazettement, legal representation, valuation, and registry processes, which collectively create barriers to access.

Delayed succession constrains economic growth as it hinders the use of assets as collateral, transfer efficiency, and investor confidence. This has led to limited access to credit, reduced agricultural productivity, increased disputes, pressure on the judiciary, and inefficiencies in asset markets.

Although succession is fundamentally a legal and administrative matter governed by the Law of Succession Act (Cap.160), the current legal and administrative framework does not adequately facilitate accessible, affordable, and timely succession processes.

International experience demonstrates that simplified procedures, administrative settlement mechanisms, decentralized probate services and digitisation can significantly improve outcomes while safeguarding beneficiaries.

Petitioners Prayers

The Petitioners prayed that the Committee conduct an investigation and recommend for-

(i) Initiates a review and amendment of the Law of Succession Act (Cap.160), to provide for simplified succession procedures for small estates, administrative settlement of uncontested estates, as well as expanded and decentralised probate services across the country;

(ii) Calls for review and rationalization of costs associated with succession processes, promotion of digitisation and integration of succession, civil registration, and land administration systems, and strengthening of mediation and alternative dispute resolution mechanisms in succession matters; and

(iii) Takes any other legislative and administrative measures necessary to facilitate timely, accessible, and equitable succession processes in Kenya.

Clarifications by the petitioner

The disconnect between economic reality and legal ownership has quietly evolved into one Kenya's most significant yet least discussed development challenges. Delayed succession disproportionately affects vulnerable groups, particularly widows and youths. No society can claim to uphold family values while leaving widows in prolonged uncertainty. Equally, children should inherit opportunity and not conflict.

This Petition does not seek immediate amendment of the law. Rather, it respectfully proposes the establishment of a National Multi-Sectoral Task Force on Succession and Inheritance Reform to undertake a comprehensive review of the Law of Succession Act and related legislation.
The Task Force may include representatives from Parliament, the Judiciary, the Office of the Attorney General, the Ministry responsible for Lands, county governments, financial institutions, women's organizations, youth organizations, faith-based institutions and cultural leaders. Its mandate would include public participation, review of interconnected laws and submission of recommendations to Parliament within six months.

By simplifying succession procedures, strengthening access to justice and unlocking dormant assets, Kenya can strengthen families, expand financial inclusion, improve food security, create

employment opportunities for young people and promote balanced regional development. This is not merely an inheritance agenda; it is a nation-building agenda.
By reforming succession, we do not merely transfer land from one generation to another. We transfer hope from one generation to the next.

Committee Observations

The Committee observed as follows: -

THAT-

1. The implications of succession matters go beyond the families and it affects the country as a whole;
2. Delayed succession processes have greatly interfered with service delivery to the public by members of parliament.

Committee Recommendations

The Committee resolved –

1. To engage -
a) The Attorney General; and
b) The Kenya Law Reform Commission.

2. To conduct a site, visit to ascertain the status of ancestral lands and the status of succession processes around the country.

MIN./PPC/2026/209: ADJOURNMENT

There being no other business, the meeting was adjourned at 2:00 p.m. The next meeting will be held on Thursday 18th June at a venue to be confirmed.

Sign: ..... **Date** 30/06/26

HON. MUCHANGI KAREMBA, CBS, M.P.
CHAIRPERSON, PUBLIC PETITIONS COMMITTEE

Retirement Benefits Authority

① DAAGPC
Please deal.
03/07/26

Our Ref: RBA/9/6/30.6.26
Your Ref: NA/DAA&GPC/PPC/2026/2025

30th June 2026

Clerk of the National Assembly
Main Parliament Building
P.O Box 41842 - 00100
NAIROBI

NATIONAL ASSEMBLY
RECEIVED
02 JUL 2026
CLERK'S OFFICE
P. O. Box 41842, NAIROBI.

② Victor Wake
Committee to consider the following
3/7/26

Dear Sir,

RE: REQUEST FOR WRITTEN SUBMISSION ON PUBLIC PETITION NO. 8 OF 2026 REGARDING THE AMALGAMATION OF THE CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUTION FUND

Reference is made to the captioned subject and your letter dated 22nd June 2026.

The Authority has reviewed the contents of the petition and hereby submits its comments and observations on the prayers sought by the petitioners as set out below:

i) **Amalgamation of all non-contributory civil service pension schemes into single, unified and sustainable framework.**

a. The Authority submits that the decision to amalgamate retirement benefits schemes rests with the sponsor, in this case the Government, following a comprehensive assessment of the relevant financial, legal, governance and labour related considerations. Given the public interest nature of this matter, public participation would also be a key consideration.

b. We note that the proposed amalgamation is specific to the non-contributory civil service scheme financed through the Exchequer. In this regard, the Public Service Superannuation Fund (PSSF) would not be affected by the proposed amalgamation, given that it is a funded contributory scheme where both employees and the Government make contributions toward members 'retirement benefits.

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03 JUL 2026
DEPUTY DIRECTOR
AUDIT, APPROPRIATIONS &
GENERAL PURPOSE COMMITTEES

NATIONAL ASSEMBLY
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02 JUL 2026
DEPUTY CLERK S. KIOKO

Rahimtulla Tower • 13th Floor • Upper Hill Road • P. O. Box 57733 - 00200 • Nairobi • Kenya
Tel: 2710340/2728606 • Fax: 2710330 • e-mail: info@rba.go.ke • www.rba.go.ke

c. In the event that consideration is given to amalgamating the non-contributory scheme with PSSF, there would be significant financial and operational considerations that would require resolution. In particular, the Government would first be required to provide funding for the accrued liabilities arising from the non-contributory scheme before any transfer of obligations or assets to the PSSF. According to an actuarial valuation report prepared by the National Treasury for the period ended 30th June 2024, the estimated actuarial liability stood at over **Kshs.1 trillion**.

d. Further, since the non-contributory scheme currently meets pension obligations directly to existing pensioners, appropriate arrangements would need to be developed to safeguard the continuity of pension payments. Such arrangements may include externalization of pensioners through insurance arrangements to ensure continued payment of their benefits.

e. The PSSF operates a defined contribution scheme and does not pay pensions directly from the scheme upon members' retirement. Instead, members are provided with options to secure retirement income through the purchase an annuity from an insurance company or an income draw down arrangement offered by schemes registered by the Retirement Benefits Authority.

ii) **The Petitioners urge the National Treasury and SRC to conduct an immediate actuarial study and gazette pension increases to mitigate the effects of inflation**

The Authority notes that the National Treasury conducted an actuarial study of the Civil Service Pension Scheme as at 30th June 2024. The actuarial valuation report assessed the financial implications of various scenarios, including the impact of potential pension increases. The Authority further notes that any decision to provide additional pension increases would require consideration by the Government taking into account the associated fiscal implications, affordability, long-term sustainability and the overall impact on public finances.

A copy of the actuarial valuation report may be obtained from the National Treasury for further reference.

iii) **Review of the Pensions Act (CAP 189) & the Pensions Increase Act (CAP 190)**

The Authority notes the Petitioners' concerns regarding the erosion of pension purchasing power arising from inflation and the rising cost of living. Section 3 of the Pensions Increase Act (CAP 190) provides for a pension increase of 3% of the pension in payment, payable every two years on the 1st of July subject to the conditions and exclusions set out in the Act. This provision came into effect from 1st July 2005.

Any decision to grant additional pension increases beyond the statutory framework would require consideration by the Government, considering fiscal affordability.

iv) **Discrimination Factors in Commutation of Pension between the Civil Service Pension Scheme and the Public Service Superannuation Fund**

The difference in commutation factors between the Civil Service Pension Scheme and the Public Service Superannuation Fund (PSSF) is based on the design and financing structures of the two schemes.

The Civil Service Pension Scheme is unfunded and therefore has a commutation factor of ¼ while the PSSF is funded and applies a commutation factor of ⅓. A higher commutation factor increases the lump sum payable to retirees while reducing the periodic pension payable.

Any increase in the commutation factor under an unfunded scheme would have financial implications on the Exchequer in financing the liability.

v) **Concerns on delays in Access to Benefits on death of a Principal Member**

The Authority notes the concerns raised by the petitioners regarding administrative processes, including timely access to benefits following the death of a principal member. The Authority is aware that the Director of Pensions under the National Treasury has undertaken significant digital

transformation and structural reforms aimed at addressing historical administrative challenges and improving service delivery to pensioners and beneficiaries.

Based on the foregoing, the Authority submits that any proposed amalgamation of retirement benefits schemes would require comprehensive consideration of the different scheme structures, funding arrangements, accrued liabilities, administrative frameworks and the need to safeguard the rights and interests of members and pensioners. The Authority remains available to provide the necessary regulatory guidance and support on this matter.

Yours sincerely,

CHARLES MACHIRA
CHIEF EXECUTIVE OFFICER

cc: Mr. Michael Kagika, EBS
Director of Pensions/Pensions Secretary
Secretary/Director of Pensions
Pensions Department, The National Treasury
Bima House, Harambee Avenue
P. O. Box 20191-00200
NAIROBI

Dr. Jonah Aiyabei
Chief Executive Officer
Public Service Superannuation Fund
1st Floor, CBK Pension Tower
Harambee Avenue
P.O. Box 3561-00200
NAIROBI

(1) DAA&GPC
Please deal.
06/07/26

Salaries & Remuneration Commission
Rewarding productivity

NATIONAL ASSEMBLY
RECEIVED
DIRECTOR

Ref. No: SRC/TS/8 VOL III (119)

1st July, 2026

(2) Victor We... Committee to consider the submissions.
7/7/26

Mr. Samuel Njoroge, CBS
Clerk of the National Assembly
National Assembly
Parliament Buildings
P.O Box 41842- 00100
NAIROBI

Dear Mr. Njoroge,

REQUEST FOR WRITTEN SUBMISSIONS ON PUBLIC PETITION NO. 8 OF 2026 REGARDING THE AMALGAMATION OF THE CIVIL SERVICE NON- CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

Reference is made to your letter Ref. No: NA/DAA&GPC/PPC/2026/104 dated 22nd June, 2026 on the above subject.

The Salaries and Remuneration Commission (SRC) has reviewed the Petition and submits its specific comments on the prayers sought by the Petitioners as set out in the **Table** below:

Table: SRC Submission

S/No:	Prayers	SRC Submission
1.	The National Assembly directs the amalgamation of all non-contributory civil service pension schemes into a single, unified, and sustainable framework.	The National Treasury is responsible for the National Pension Policy and is the administrator of the civil service pension schemes and may consider the request by the Petitioners within the existing legal, policy and fiscal provisions.
2.	The National Assembly urges the National Treasury and the SRC to conduct an immediate actuarial study and gazette pension increases to mitigate the effects of inflation.	The Pensions Department under the National Treasury is the custodian of all data on retirees under the Pensions Act and the administrator of the civil service schemes. The department may initiate an actuarial study and recommend a pension increase for retirees under the Pensions Act in consultation with SRC, taking into account the prevailing fiscal realities.
3.	The National Assembly facilitates the review of the Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190).	The Pensions Department under the National Treasury is the body responsible for the management and administration of the Pensions Act (Cap 189) and the Pensions (Increase) Act Cap 190. Consequently, any review, repeal or amendment of the two laws should be initiated by or through the Pensions Department.

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P.O. Box 41842 - 00100, NAIROBI

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03 JUL 2026
CLERK'S OFFICE
P. O. Box 41842, NAIROBI.

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S/No:	Prayers	SRC Submission
		Consequently, the Pensions Department may consider the petitioner's prayers taking into account the prevailing legal, policy and fiscal provisions. Any legislative amendments affecting review of the quantum of pension should however, be considered in consultation with SRC in line with Article 230 (4) (a) and (b) of the Constitution.

The purpose of this letter, therefore, is to submit the SRC's submissions on the Petition, for your consideration.

The Commission appreciates your continued cooperation and support as we discharge our respective mandates.

Yours Sincerely,

CHRP Ali Abdullahi Surraw
COMMISSION SECRETARY/CEO

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REPUBLIC OF KENYA
MINISTRY OF PUBLIC SERVICE, HUMAN CAPITAL DEVELOPMENT AND SPECIAL PROGRAMMES
STATE DEPARTMENT FOR PUBLIC SERVICE AND HUMAN CAPITAL DEVELOPMENT
Office of the Principal Secretary

Telegraphic address: "Personnel", Nairobi
Telephone: Nairobi 227411
Telex: 23125
Fax: 2243620
When replying please quote

P.O. BOX 30050–00100
NAIROBI
KENYA

Ref. No. MPSHCD&SP.6 /VOL.XII (25)

Date: 6th August, 2026

Mr. Samuel Njoroge, CBS
Clerk of the National Assembly
Parliament Building
NAIROBI

Dear Clerk,

MEETING WITH THE PUBLIC PETITIONS COMMITTEE ON PETITION NO. 10 OF 2026 REGARDING AMALGAMATION OF THE CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

Reference is made to your letter Ref. DAA&GPC/2026/118 dated 15th July, 2026 on the above captioned matter.

Enclosed please find a statement from this State Department on the transition from the Defined Benefit to Defined Contributory Pension Schemes as part of the reforms in the Public Sector for your information.

Yours Sincerely,

Dr. Jane Kere Imbunya (PhD)
PRINCIPAL SECRETARY

Encl.

REPUBLIC OF KENYA
MINISTRY OF PUBLIC SERVICE, HUMAN CAPITAL DEVELOPMENT AND SPECIAL PROGRAMMES
STATE DEPARTMENT PUBLIC SERVICE AND HUMAN CAPITAL DEVELOPMENT

THE TRANSITON FROM DEFINED BENEFIT TO DEFINED CONTRIBUTORY PENSION SCHEMES AS PART OF THE REFORMS IN THE PUBLIC SECTOR

For most of Kenya's history, retirement benefits for public servants were paid as a non-contributory, Pay-As-You-Go arrangement under the Pensions Act (Cap. 189) which was established in 1946, and the Widows' and Children's Pensions Scheme Act (Cap. 195). Benefits were financed entirely by the Exchequer and administered by the Pensions Department at the National Treasury, with no contribution from members and no fund of assets to meet the promise. This defined benefit (DB) arrangement covered the bulk of the public service, civil servants, teachers, and the disciplined services personnel (National Police Service, Prisons and NYS). Forming the largest sector in the public service and being unfunded, its cost increased unsustainably, placing an open-ended and growing liability directly on the national budget and wage bill.

The decisive policy shift came through Treasury Circular No. 18 of 2010, in which the National Treasury directed all public sector pension schemes to convert from the defined benefit model to a funded defined contribution (DC) model. The Circular's objective was to align public service pension arrangements with best practice in the retirement benefits industry, replace the open-ended Exchequer charge with a funded system in which both employer and employee contribute, and progressively reduce Government's unfunded pension liability. Every Public Sector employer was to convert

by July 2011. Most of the entities save for the categories highlighted above shifted to DC.

As an effect to the circular, the Public Service Superannuation Scheme Act, 2012 (No. 8 of 2012), now Cap. 189A, assented to on 9th May 2012, established the Public Service Superannuation Scheme (PSSS) as a funded DC scheme for employees under the Public Service Commission, the Teachers Service Commission, and the National Police Service Commission.

Although the PSSS Act was enacted in 2012, it remained dormant for several years before it was operationalized. The turning point came at the National Wage Bill Conference held from 26th to 28th November 2019, convened by the Salaries and Remuneration Commission together with the National Treasury and other State actors under the theme "Transforming Kenya's Economy through a Fiscally Sustainable Public Wage Bill." Among its several resolutions on the size and sustainability of the public wage bill, the Conference specifically directed that the PSSS Act be operationalized without further delay. That resolution supplied the political and administrative push that had delayed for 9 years to see the scheme commence operations on 1st January 2021. Officers below 45 years were automatically enrolled from that date, while those aged 45 and above were given an option window, from 1st January to 31st March 2021, to elect to join; those who did not opt in remained in the old DB scheme, which was itself closed to new entrants with effect from 1st January 2021. The PSSS has a membership of 529, 635 as at 30th June 2026.

The practical difference between the two models is felt most directly by the individual employee. Because the DC arrangement is funded from day one, and a member's savings are fully vested in that member credited into the individual retirement savings account, an employee can move between employers, or leave the public service altogether, without losing any accrued benefit; the balance simply moves with the

member, is deferred in the scheme or is paid out to the member. This is unlike the old, unfunded DB scheme administered by the Pensions Department at the National Treasury, where benefits were tied to years of pensionable service within the scheme and did not readily follow an employee who exited early or moved across employers without a loss of benefits. Under the DC arrangement, payment is also immediately available to the member upon exit from service, rather than being a contingent on the Exchequer allocation. Beyond the individual member, the accumulating contributions under the DC model also build up a substantial pool of long-term capital, which the Scheme's trustees invest across various sectors of the economy, including government securities, equities, real estate, and infrastructure, giving the reform a second dividend as a source of domestic investment alongside its role in securing members' retirement income.

Key Justifications for the Shift

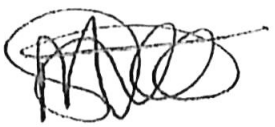
- Fiscal sustainability and reducing the wage bill: Under the old DB scheme, the Exchequer bore the full, open-ended cost of pensions as an unfunded liability. A funded DC scheme caps the Government's annual liability to its fixed 15% contribution, stabilising public expenditure and easing pressure on the national budget.
- Shifting the funding burden from taxpayers to a pre-funded model: Because DB pensions were paid directly from current revenue, future taxpayers effectively financed retirees' benefits with no dedicated fund set aside. PSSS requires both employee (graduated to 7.5% of basic salary) and Government (15%) contributions to be paid into a ring-fenced Fund during an employee's working life.
- Alignment with retirement-benefits industry best practice: The reform brought public service pensions in line with the funded, contributory model already used in the private/occupational sector and regulated by the Retirement Benefits Authority (RBA), replacing an unregulated, ad hoc Exchequer arrangement.

- Mobilising national savings and capital for growth: A funded DC scheme accumulates investable assets (Kenya's retirement benefits assets reached Sh1.7 trillion by June 2023), increasing the pool of long-term capital available for private and public sector investment and supporting broader economic growth.
- Individual ownership, transparency, and portability: Each member has a personal retirement savings account showing contributions and accrued interest, via annual benefit statements, giving members clearer visibility of their entitlements than the discretionary, service-based DB formula allowed.

- Regulatory oversight and governance: PSSS is administered by an independent Board of Trustees and regulated by the RBA, introducing professional fund management, actuarial oversight, and accountability absent from the Exchequer-financed DB scheme.

Conclusion

The transition from the non-contributory DB Pension Scheme (Cap 189) to the contributory DC PSSS was driven primarily by the need to make public pension costs fiscally sustainable and predictable, shift funding risk away from future taxpayers, align Kenya's public service pensions with modern retirement-benefits practice, and mobilise domestic savings for economic development - while giving members greater transparency and ownership over their retirement savings.



DR. JANE KERE IMBUNYA, PhD.

PRINCIPAL SECRETARY

NATIONAL TREASURY COMMENTS ON THE PARLIAMENTARY PETITION REGARDING THE PROPOSED AMALGAMATION OF THE CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION SCHEME

1. INTRODUCTION

The National Treasury appreciates the Petition presented by the Kenya National Association of Public Service Pensioners, Kericho Branch, and recognises the valuable contribution made by retired public servants to the Republic.

The National Treasury acknowledges that the matters raised in the Petition touch on important issues relating to **pension adequacy, protection of accrued pension rights, administration and payment of pension benefits, survivor benefits, pension indexation, pension reform and the long-term fiscal sustainability of public pension obligations.**

The Government remains committed to ensuring that pensioners and other beneficiaries receive all benefits lawfully due to them, while progressively strengthening the pension system to ensure that retirement benefits remain **adequate, accessible, predictable and fiscally sustainable** for both current and future generations.

The Petitioners' concerns are therefore being considered within the broader context of ongoing Government reforms in public pension administration and retirement benefits policy.

2. BACKGROUND TO THE PUBLIC SERVICE PENSION ARRANGEMENTS

Kenya's public service pension arrangements have evolved over time in response to changes in pension policy, demographics, fiscal considerations and the need to strengthen retirement security.

There are currently two principal pension arrangements applicable to public servants, reflecting this transition.

2.1 The Civil Service Pension Scheme

The Civil Service Pension Scheme is established under the **Pensions Act (Cap. 189)** and is:

(i) non-contributory;
(ii) unfunded;
(iii) financed directly from the Consolidated Fund on a **Pay-As-You-Go (PAYG)** basis; and
(iv) a Defined Benefit (DB) arrangement.

Under this arrangement, Government bears responsibility for meeting the pension obligations as and when they fall due.

As at **31st July, 2026** the Scheme had approximately **319,207** pensioners/beneficiaries in payment with a monthly pension payroll of approximately **Kshs.7.8 billion** equivalent to approximately **Kshs.93.7 billion** per annum.

2.2 The Public Service Superannuation Scheme

The Public Service Superannuation Scheme (PSSS) was established under the **Public Service Superannuation Scheme Act, 2012**, with implementation commencing on **1 January 2021.**

Unlike the legacy arrangement, PSSS is:

(i) contributory;
(ii) funded;
(iii) Defined Contribution (DC); and
(iv) based on accumulated member and employer contributions together with investment returns.

Members have individual retirement savings accounts to which contributions are credited and invested in accordance with the Scheme's investment framework.

As at **30th June, 2026**, PSSS had approximately **529,635 active members**, with accumulated assets of approximately **KSh.343.75 billion.**

The two arrangements are therefore **fundamentally different in legal character, benefit design, financing mechanism, actuarial treatment and fiscal structure.**

The coexistence of the two arrangements is a consequence of the transition from a legacy unfunded Defined Benefit system to a funded contributory Defined Contribution system.

3. RESPONSE TO THE ALLEGATION OF DISCRIMINATION

The Petitioners contend that the existence of two pension arrangements creates a discriminatory dual-pension architecture in which existing retirees are disadvantaged relative to members of the contributory scheme.

The National Treasury respectfully submits that the existence of the two arrangements, in itself, does not constitute discrimination.

The distinction arises from **statutory pension reform and objectively different categories of membership**, rather than from arbitrary differentiation between persons who are similarly situated.

The transition to PSSS was designed to establish a more sustainable contributory retirement benefits framework while protecting pension rights accrued under the previous arrangement.

The applicable transitional provisions determine which employees remained under the legacy Defined Benefit arrangement and which employees became members of PSSS.

Importantly, the transition did not extinguish or retrospectively alter pension rights already accrued under the previous scheme. Rather, it established a framework for **protecting accrued rights while progressively introducing a funded and contributory system for future service.**

The two schemes should therefore be understood as part of a **managed pension transition**, rather than as competing schemes offering different treatment to persons with identical pension entitlements.

Below are key numbers in relation to the two schemes:

(i) Number of pensioners/dependants under the legacy DB arrangement - **319,207**
(ii) Number of active members under PSSS - **529,635**
(iii) Number of officers who transitioned to PSSS on 1 January 2021 - **342,907**
(iv) Number of new entrants joining PSSS since 1 January 2021 – **186,728**
(v) Percentage of the public service currently under PSSS: **78%**

4. ON THE PROPOSED AMALGAMATION OF THE TWO ARRANGEMENTS

The principal prayer of the Petition is that Parliament directs the amalgamation of all non-contributory civil service pension schemes with PSSS into a single, unified and sustainable framework.

The National Treasury appreciates the objective of seeking a sustainable and coherent pension framework. However, **immediate amalgamation of the legacy Defined Benefit arrangement with PSSS is not recommended** because the two arrangements are fundamentally different.

4.1 Different benefit designs

The legacy Civil Service Pension Scheme is a **Defined Benefit arrangement**, under which the benefit payable is determined in accordance with the applicable statutory formula.

PSSS, on the other hand, is a **Defined Contribution arrangement**, under which the eventual retirement benefit is principally determined by the contributions accumulated in a member's account and the investment returns earned.

The liabilities and benefits under the two arrangements are therefore determined using fundamentally different methodologies.

4.2 Different financing structures

The legacy arrangement is **unfunded and financed through the Exchequer on a PAYG basis.**

PSSS is a **funded contributory arrangement**, supported by member and employer contributions and investment returns.

Consequently, amalgamating the two would not merely involve administrative consolidation. It would require fundamental decisions regarding:

(i) treatment of existing accrued DB liabilities;
(ii) treatment of accumulated PSSS assets;
(iii) assumption of historical liabilities;
(iv) valuation and transfer of assets and liabilities;
(v) protection of individual PSSS member accounts;
(vi) future contribution rates;
(vii) benefit entitlements; and
(viii) the resulting huge fiscal exposure to Government.

4.3 Protection of PSSS members' accumulated retirement savings

PSSS members have accumulated retirement savings arising from contributions made by both employees and the Government, together with investment returns.

These assets are attributable to individual members and are intended to finance their future retirement benefits.

Accordingly, using accumulated PSSS assets to finance historical unfunded pension liabilities would raise significant issues regarding **members' accrued interests, intergenerational equity and confidence in the contributory pension system.** Indeed, in a contributory arrangement contributions and investment returns immediately vest to a member at the point the money records in the books and it becomes private property.

Any restructuring would therefore have to ensure that accumulated member retirement savings are fully protected.

4.4 Fiscal sustainability

The transition to PSSS was intended, among other objectives, to progressively move new public service retirement obligations towards a funded and contributory model.

The legacy DB arrangement represents a **stock of obligations arising from past service**, which Government remains responsible for meeting.

These obligations cannot simply be transferred to PSSS without addressing the underlying financing implications.

Indeed, amalgamation without a clear financing mechanism could result in the Government assuming both the legacy unfunded liabilities and additional obligations associated with the contributory scheme, potentially increasing rather than reducing fiscal pressure.

The appropriate policy objective should therefore be to **manage the DB and Contributory Schemes carefully while honouring accrued rights and strengthening the sustainability of the emerging funded system.**

4.5 Appropriate treatment of the legacy arrangement

The more appropriate approach is to continue managing the legacy arrangement as a **closed legacy Defined Benefit obligation**, while progressively allowing the contributory PSSS to serve the retirement needs of its membership.

Under such an approach:

(i) existing pensioners continue to receive their lawful benefits;
(ii) accrued pension rights remain protected;
(iii) PSSS members retain their accumulated retirement savings;
(iv) new members participate in the contributory arrangement; and
(v) the legacy liability is progressively managed as the number of beneficiaries evolves over time.

This approach avoids disrupting accrued rights while allowing the Government to pursue the long-term objectives of pension reform.

5. ON THE ALLEGATION THAT EXISTING RETIREES ARE RECEIVING INADEQUATE OR IRREGULAR PAYMENTS

The Petition characterises retirees under the legacy arrangement as being "tethered to an obsolete system characterised by inadequate and irregular payments."

The National Treasury acknowledges the concern regarding pension adequacy and the impact of inflation on the purchasing power of pensioners.

However, the characterisation of pension payments as generally irregular does not reflect the current payment arrangements.

Pensions under the legacy arrangement are processed through the Government pension payroll and paid through established banking arrangements.

As at **July 2026**, the monthly pension payroll was approximately **KSh.7.8 billion**, covering approximately **319,207 pensioners and beneficiaries.**

During the period **2025/2026** the percentage of pension payments successfully processed within the scheduled payment cycle was **76%.**

The Department has also undertaken significant reforms aimed at improving the timeliness, accuracy and integrity of pension payments, including:

(i) automation of pension processing;
(ii) digitisation of pension records;
(iii) implementation of ePMIS;
(iv) electronic claims processing;
(v) beneficiary validation;
(vi) payroll reconciliation; and
(vii) integration with relevant Government databases.

The National Treasury nevertheless recognises that **adequacy and purchasing power** are distinct from the question of payment regularity and remain important policy considerations.

6. ON COMMUTATION OF ONE-QUARTER OF THE PENSION

The Petitioners contend that the requirement to commute one-quarter of pension significantly reduces the monthly income available to retirees.

The National Treasury wishes to clarify that the Petition's reference to **section 5 of the Pensions Act** in relation to commutation is not accurate.

The option to commute part of the pension is provided for under **Regulation 27 of the Pensions (General) Regulations**, which provides for the payment of a reduced pension together with a gratuity calculated in accordance with the prescribed formula.

Importantly, the provision is **an option available to an eligible retiring officer**, rather than an involuntary reduction imposed on every retiree.

The arrangement allows a retiree to make a choice between receiving:

(i) a higher periodic pension without commutation; or
(ii) a reduced periodic pension together with a lump-sum gratuity.

The lump sum may provide retirees with resources for immediate financial needs, including:

(i) housing;
(ii) debt settlement;
(iii) investment;
(iv) education; and
(v) family obligations.

The National Treasury recognises, however, that the adequacy of the commuted pension and the appropriateness of the existing commutation framework may warrant review as part of the broader review of the pension legal framework.

7. ON PENSION INCREASES AND THE 2014 SRC RECOMMENDATIONS

The Petitioners refer to recommendations made in 2014 regarding periodic review of pension benefits in response to inflation and changes in the cost of living.

The National Treasury agrees that **pension adequacy and preservation of purchasing power are legitimate policy considerations.**

However, pension adjustments have significant and recurring fiscal implications, particularly in respect of an unfunded Defined Benefit arrangement financed directly from the Exchequer.

Any increase in pension benefits therefore needs to be considered against:

(i) the prevailing inflation rate;
(ii) the level and sustainability of Government revenues;
(iii) the projected pensioner population;
(iv) the existing pension expenditure;
(v) actuarial projections of future liabilities;
(vi) competing public expenditure priorities;
(vii) the overall fiscal position; and
(viii) long-term debt and fiscal sustainability considerations.

An actuarial recommendation provides an important technical basis for policy consideration but does not, on its own, automatically create a legal or fiscal obligation to implement a particular level of pension increase.

The National Treasury supports periodic actuarial assessment as an evidence-based mechanism for informing future decisions on pension adequacy and sustainability.

8. ON BENEFITS PAYABLE UPON THE DEATH OF A PENSIONER/OFFICER

The Petitioners raise concerns regarding the processes through which dependants and next of kin access benefits following the death of a principal pensioner or officer.

The National Treasury acknowledges that **timely settlement of death and survivor benefits is an important aspect of pension service delivery.**

At the same time, the processing of death-related benefits requires appropriate verification to ensure that payments are made to lawful beneficiaries and to protect public resources from fraudulent or duplicate claims.

The Department has therefore been progressively modernising the process through:

(i) digitisation of pension records;
(ii) electronic claims processing;
(iii) enhanced beneficiary verification;
(iv) integration with national identification and other relevant databases;
(v) implementation of ePMIS;
(vi) digitisation of supporting documentation; and
(vii) improved monitoring of outstanding claims.

These reforms are intended to achieve an appropriate balance between **facilitating timely access to benefits and maintaining necessary safeguards over public funds.**

The National Treasury nevertheless recognises that there remains scope to simplify and streamline the process, the reason we now facilitate through e-Citizen platform a dependant initiated self-registration.

The Department will therefore continue reviewing the administrative requirements and processes applicable to survivor benefits with a view to **reducing unnecessary documentation, shortening processing timelines and improving communication with beneficiaries.**

9. ON THE REVIEW OF THE PENSIONS ACT AND PENSIONS (INCREASE) ACT

The National Treasury acknowledges the Petitioners' request for review of the **Pensions Act (Cap. 189)** and the **Pensions (Increase) Act (Cap. 190).**

The Government recognises that the pension legislative framework requires periodic review to ensure that it remains responsive to:

(i) changes in pension policy;
(ii) demographic developments;
(iii) constitutional principles;
(iv) administrative requirements;
(v) pension adequacy;
(vi) fiscal sustainability; and
(vii) the transition to contributory retirement arrangements.

The National Treasury is therefore undertaking work towards the review and modernisation of the pension legal framework.

The review provides an opportunity to consider, among other matters:

(i) the adequacy and structure of pension benefits;
(ii) commutation arrangements;
(iii) pension adjustment mechanisms;
(iv) survivor and dependant benefits;
(v) administrative processes;
(vi) protection of accrued rights;
(vii) governance and accountability;
(viii) alignment with the contributory pension framework; and
(ix) long-term fiscal sustainability.

Any proposed legislative amendments will be subjected to the appropriate policy, legal, stakeholder and legislative processes.

10. ON ACTUARIAL ASSESSMENT OF PUBLIC SERVICE PENSION OBLIGATIONS

The National Treasury agrees with the Petitioners that actuarial assessment is an important tool for informing pension policy and assessing the long-term implications of pension obligations.

An actuarial assessment is particularly important for the legacy Defined Benefit arrangement because the Scheme is **unfunded and financed on a PAYG basis.**

The Government will therefore continue to undertake actuarial assessments aimed at establishing a robust evidence base on:

(i) accrued pension liabilities;
(ii) projected future pension obligations;
(iii) demographic and retirement trends;
(iv) expected pension expenditure;
(v) long-term fiscal implications; and
(vi) financing requirements.

The findings of the actuarial assessment will inform Government's consideration of measures necessary to ensure the **adequacy, sustainability and affordability of public service pensions.**

The National Treasury proposes that actuarial assessment of public service pension obligations be undertaken periodically and integrated into the Government's broader fiscal-risk and medium-to-long-term fiscal planning framework.

11. ON THE BROADER PENSION REFORM AGENDA

The Petition should also be considered against the broader pension reforms being undertaken by Government.

In 2023, the National Treasury developed the **National Retirement Benefits Policy**, which provides a policy framework for strengthening retirement benefits in Kenya.

Consistent with the policy direction, Government is undertaking reforms aimed at:

(i) modernising pension administration through ePMIS;
(ii) reviewing the Pensions Act and the Pensions (Increase) Act;
(iii) strengthening the governance and administration of PSSS;
(iv) improving pension payroll management;
(v) strengthening actuarial capacity;
(vi) enhancing data quality and pension records management;
(vii) automating pension processing;
(viii) improving beneficiary verification;
(ix) strengthening fraud prevention and detection; and
(x) improving customer service and access to pension benefits.

These reforms are intended to ensure that the pension system simultaneously achieves **adequacy, efficiency, integrity and fiscal sustainability.**

13. RECOMMENDATIONS TO THE COMMITTEE

In view of the foregoing, the National Treasury respectfully recommends that the Committee:

1. **Notes** that the coexistence of the legacy Defined Benefit pension arrangement and the Public Service Superannuation Scheme represents a statutory transition from an unfunded PAYG arrangement to a funded contributory retirement benefits framework and does not, in itself, constitute discriminatory treatment.
2. **Does not recommend amalgamation** of the legacy Defined Benefit arrangement with PSSS, given the fundamental differences in their legal,

benefit, financing and actuarial structures and the need to protect accrued pension rights and PSSS members' accumulated retirement savings.

3. **Supports periodic actuarial assessment** of public service pension obligations as the basis for future policy on pension adequacy, liability management and long-term fiscal sustainability.
4. **Supports the ongoing review of the Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190)** with a view to modernising the legislative framework and addressing emerging policy, administrative and fiscal considerations.
5. **Supports continued reforms in pension administration**, including ePMIS, digitisation of pension records, automation of claims processing, beneficiary verification and strengthened pension payroll controls.
6. **Encourages the National Treasury to develop a transparent and sustainable framework for consideration of future pension adjustments**, informed by actuarial evidence, inflation, pension adequacy and the overall fiscal position.
7. **Supports continued efforts to simplify the processing of survivor and dependant benefits**, while retaining appropriate verification and accountability safeguards.
8. **Recommends that future consideration of any structural changes to public pension arrangements be preceded by comprehensive actuarial, legal, financial and fiscal impact assessments**, including an assessment of the implications for accrued rights, scheme members and the Exchequer.

In conclusion the National Treasury therefore remains committed to working with Parliament, pensioners, the Salaries and Remuneration Commission, the Public Service Superannuation Scheme, the Retirement Benefits Authority and other stakeholders to strengthen Kenya's public pension system in a manner that is **fair, efficient, adequate and fiscally sustainable.**

DR. CHRIS K. KIPTOO, CBS
PRINCIPAL SECRETARY/THE NATIONAL TREASURY

19TH AUGUST, 2026

PRINCIPAL SECRETARY
MINISTRY OF PUBLIC SERVICE,
HUMAN CAPITAL DEVELOPMENT &
16 JUL 2026
Sign:
P. O. Box 30050 - 00100, NAIROBI
RECEIVED

THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK
P. O. Box 41842-00100
Nairobi, Kenya
Main Parliament Buildings
Telephone: +254202848000 ext. 3300
Email: cna@parliament.go.ke
www.parliament.go.ke/the-national-assembly

When replying, please quote;
Ref: DAA&GPC/PPC/2026/118

15th July, 2026

Dr. Jane Kere Imbunya, PhD
Principal Secretary
State Dept. for Public Service & Human Capital Devt.
Harambee House, Harambee Avenue
NAIROBI

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16 JUL 2026
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Mr. Paul Famba, MBS
Chief Executive Officer
Public Service Commission
Commission House, Harambee Avenue
NAIROBI

Dr. Jonah Aiyabei, PhD
Chief Executive Officer
Public Service Superannuation Scheme (PSSF)
CBK Pension Towers, 1st Floor, Harambee Avenue
NAIROBI

Dear D. Imbunya

RE: MEETING WITH THE PUBLIC PETITIONS COMMITTEE ON PETITION NO. 10 OF 2026 REGARDING AMALGAMATION OF THE CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

Reference is made to our letter **REF: DAA&GPC/PPC/2026/099** dated **22nd June 2026** and a meeting held on **Thursday, 2nd July, 2026** on the above subject matter.

You will note that the meeting resolved to reschedule the meeting to a date where you will all be available. This subsequent meeting will be held on **Tuesday, 11th August 2026** at **11:30 am**.

Our Liaison Officers for this matter are **Mr. Oscar Namulanda, Deputy Director,** who may be contacted on **Tel. No. 0722581190** or Email: oscar.wesonga@parliament.go.ke and **Mr. Victor Weke, Principal Clerk Assistant II,** who may be contacted on **Tel. No. 0736124597** or Email: victor.imbo@parliament.go.ke, copy to: cna@parliament.go.ke.

Yours

JEREMIAH NDOMBI, MBS
For: CLERK OF THE NATIONAL ASSEMBLY

REPUBLIC OF KENYA
MINISTRY OF PUBLIC SERVICE, HUMAN CAPITAL DEVELOPMENT AND SPECIAL PROGRAMMES
STATE DEPARTMENT FOR PUBLIC SERVICE AND HUMAN CAPITAL DEVELOPMENT
Office of the Principal Secretary

Telegraphic address: "Personnel", Nairobi
Telephone: Nairobi 227411
Telex: 23125
Fax: 2243620
When replying please quote

P.O. BOX 30050–00100
NAIROBI
KENYA

Ref. No. MPSHCD&SP.6 /VOL.XII (25)

Date: 6th August, 2026

Mr. Samuel Njoroge, CBS
Clerk of the National Assembly
Parliament Building
NAIROBI

Dear Clerk,

MEETING WITH THE PUBLIC PETITIONS COMMITTEE ON PETITION NO. 10 OF 2026 REGARDING AMALGAMATION OF THE CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

Reference is made to your letter Ref. DAA&GPC/2026/118 dated 15th July, 2026 on the above captioned matter.

Enclosed please find a statement from this State Department on the transition from the Defined Benefit to Defined Contributory Pension Schemes as part of the reforms in the Public Sector for your information.

Yours Sincerely,

Dr. Jane Kere Imbunya (PhD)
PRINCIPAL SECRETARY

Encl.

REPUBLIC OF KENYA
MINISTRY OF PUBLIC SERVICE, HUMAN CAPITAL DEVELOPMENT AND SPECIAL PROGRAMMES
STATE DEPARTMENT PUBLIC SERVICE AND HUMAN CAPITAL DEVELOPMENT

THE TRANSITON FROM DEFINED BENEFIT TO DEFINED CONTRIBUTORY PENSION SCHEMES AS PART OF THE REFORMS IN THE PUBLIC SECTOR

For most of Kenya's history, retirement benefits for public servants were paid as a non-contributory, Pay-As-You-Go arrangement under the Pensions Act (Cap. 189) which was established in 1946, and the Widows' and Children's Pensions Scheme Act (Cap. 195). Benefits were financed entirely by the Exchequer and administered by the Pensions Department at the National Treasury, with no contribution from members and no fund of assets to meet the promise. This defined benefit (DB) arrangement covered the bulk of the public service, civil servants, teachers, and the disciplined services personnel (National Police Service, Prisons and NYS). Forming the largest sector in the public service and being unfunded, its cost increased unsustainably, placing an open-ended and growing liability directly on the national budget and wage bill.

The decisive policy shift came through Treasury Circular No. 18 of 2010, in which the National Treasury directed all public sector pension schemes to convert from the defined benefit model to a funded defined contribution (DC) model. The Circular's objective was to align public service pension arrangements with best practice in the retirement benefits industry, replace the open-ended Exchequer charge with a funded system in which both employer and employee contribute, and progressively reduce Government's unfunded pension liability. Every Public Sector employer was to convert

by July 2011. Most of the entities save for the categories highlighted above shifted to DC.

As an effect to the circular, the Public Service Superannuation Scheme Act, 2012 (No. 8 of 2012), now Cap. 189A, assented to on 9th May 2012, established the Public Service Superannuation Scheme (PSSS) as a funded DC scheme for employees under the Public Service Commission, the Teachers Service Commission, and the National Police Service Commission.

Although the PSSS Act was enacted in 2012, it remained dormant for several years before it was operationalized. The turning point came at the National Wage Bill Conference held from 26th to 28th November 2019, convened by the Salaries and Remuneration Commission together with the National Treasury and other State actors under the theme "Transforming Kenya's Economy through a Fiscally Sustainable Public Wage Bill." Among its several resolutions on the size and sustainability of the public wage bill, the Conference specifically directed that the PSSS Act be operationalized without further delay. That resolution supplied the political and administrative push that had delayed for 9 years to see the scheme commence operations on 1st January 2021. Officers below 45 years were automatically enrolled from that date, while those aged 45 and above were given an option window, from 1st January to 31st March 2021, to elect to join; those who did not opt in remained in the old DB scheme, which was itself closed to new entrants with effect from 1st January 2021. The PSSS has a membership of 529, 635 as at 30th June 2026.

The practical difference between the two models is felt most directly by the individual employee. Because the DC arrangement is funded from day one, and a member's savings are fully vested in that member credited into the individual retirement savings account, an employee can move between employers, or leave the public service altogether, without losing any accrued benefit; the balance simply moves with the

member, is deferred in the scheme or is paid out to the member. This is unlike the old, unfunded DB scheme administered by the Pensions Department at the National Treasury, where benefits were tied to years of pensionable service within the scheme and did not readily follow an employee who exited early or moved across employers without a loss of benefits. Under the DC arrangement, payment is also immediately available to the member upon exit from service, rather than being a contingent on the Exchequer allocation. Beyond the individual member, the accumulating contributions under the DC model also build up a substantial pool of long-term capital, which the Scheme's trustees invest across various sectors of the economy, including government securities, equities, real estate, and infrastructure, giving the reform a second dividend as a source of domestic investment alongside its role in securing members' retirement income.

Key Justifications for the Shift

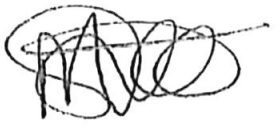
- Fiscal sustainability and reducing the wage bill: Under the old DB scheme, the Exchequer bore the full, open-ended cost of pensions as an unfunded liability. A funded DC scheme caps the Government's annual liability to its fixed 15% contribution, stabilising public expenditure and easing pressure on the national budget.
- Shifting the funding burden from taxpayers to a pre-funded model: Because DB pensions were paid directly from current revenue, future taxpayers effectively financed retirees' benefits with no dedicated fund set aside. PSSS requires both employee (graduated to 7.5% of basic salary) and Government (15%) contributions to be paid into a ring-fenced Fund during an employee's working life.
- Alignment with retirement-benefits industry best practice: The reform brought public service pensions in line with the funded, contributory model already used in the private/occupational sector and regulated by the Retirement Benefits Authority (RBA), replacing an unregulated, ad hoc Exchequer arrangement.

- Mobilising national savings and capital for growth: A funded DC scheme accumulates investable assets (Kenya's retirement benefits assets reached Sh1.7 trillion by June 2023), increasing the pool of long-term capital available for private and public sector investment and supporting broader economic growth.
- Individual ownership, transparency, and portability: Each member has a personal retirement savings account showing contributions and accrued interest, via annual benefit statements, giving members clearer visibility of their entitlements than the discretionary, service-based DB formula allowed.

- Regulatory oversight and governance: PSSS is administered by an independent Board of Trustees and regulated by the RBA, introducing professional fund management, actuarial oversight, and accountability absent from the Exchequer-financed DB scheme.

Conclusion

The transition from the non-contributory DB Pension Scheme (Cap 189) to the contributory DC PSSS was driven primarily by the need to make public pension costs fiscally sustainable and predictable, shift funding risk away from future taxpayers, align Kenya's public service pensions with modern retirement-benefits practice, and mobilise domestic savings for economic development - while giving members greater transparency and ownership over their retirement savings.



DR. JANE KERE IMBUNYA, PhD.

PRINCIPAL SECRETARY

REPUBLIC OF KENYA

PUBLIC SERVICE COMMISSION

PSC/ADM/26/VI/ (29)

7th August, 2026

The Clerk of the National Assembly
Main Parliament Buildings
P. O. Box 41842 – 00100
NAIROBI

Attn: Mr. Jeremiah Ndombi, MBS

RE: MEETING WITH THE PUBLIC PETITIONS COMMITTEE ON PETITION NO. 10 OF 2026 REGARDING AMALGAMATION OF THE CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

Reference is made to your letter NO. DAA&GPC/PPC/2026/118 dated 15th July, 2026 addressed to the State Department for Public Service and Human Capital Development; this Commission and the Public Service Superannuation Scheme (PSSF) on the above subject.

Accordingly, we submit as herewith attached a copy of the Commission report on submissions to the issues raised by the petitioners; **in readiness for the scheduled meeting with the Public Petitions Committee on Tuesday 11th August, 2026 at 11:30am**.

Submitted for your necessary action.

Paul Famba, CBS
SECRETARY/CEO
PUBLIC SERVICE COMMISSION

REPUBLIC OF KENYA

PUBLIC SERVICE COMMISSION

REPORT ON SUBMISSIONS FOR THE MEETING WITH THE PUBLIC PETITIONS COMMITTEE OF THE NATIONAL ASSEMBLY ON PETITION NO. 10 OF 2026 REGARDING AMALGAMATION OF THE CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

11TH AUGUST, 2026

HONOURABLE CHAIRPERSON AND MEMBERS

The Public Service Commission appreciates the invitation and opportunity granted by the National Assembly to appear before this Committee.

1.0 INTRODUCTION

The Clerk of the National Assembly under cover of a letter Ref. DAA&GPC/PPC/2026/099 dated 22nd June, 2026 invited the Public Service Commission (PSC) to a meeting with the Public Petitions Committee to respond to a petition filed by Mr. John Serem, Eng. Richard Bett and Ms. Olive Chepkoech, on behalf of the Kenya National Association of Public Service Pensioners (Kericho Branch).

2.0 THE PETITION

In a petition dated 4th June 2026, the Petitioners contend that the Public Service Superannuation Scheme Act, 2012, which moved public officers from the Non-Contributory Defined Benefit (DB) scheme to a Defined Contribution (DC) scheme from 1st January 2021, has created a dual pension system that treats officers and retirees under the two schemes unequally, with DB retirees receiving inadequate and irregular pensions.

They further argue that the statutory commutation of one-quarter of pension benefits reduces retirees' monthly income despite pension being an accrued right under Section 5 of the Pensions Act (Cap. 189); that the National Treasury's failure to conduct periodic actuarial reviews and implement SRC-recommended pension increases has eroded pensioners' purchasing power amid inflation; and that dependents' benefits under Section 17 of the Pensions Act are delayed by cumbersome administrative processes.

The Petition therefore seeks: amalgamation of all non-contributory civil service pension schemes into one unified and sustainable framework; an actuarial review and pension adjustments to cushion retirees against inflation; and a comprehensive review of the Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190).

3.0 ENACTMENT OF THE PUBLIC SERVICE SUPERANNUATION SCHEME – TRANSITION FROM DEFINED BENEFIT (DB) VERSUS DEFINED CONTRIBUTION (DC) SCHEMES

A DB scheme guarantees a fixed retirement benefit calculated from an officer's pensionable salary and years of service, with the Government bearing the funding and investment risk. A DC scheme guarantees no fixed benefit; instead, the employer and employee make prescribed contributions to an individual account, and the eventual payout depends on total contributions plus investment returns, with the member bearing the investment and longevity risk.

The move from the DB scheme under the Pensions Act (Cap. 189) to the DC scheme under the Public Service Superannuation Scheme Act, 2012 was intended to secure the long-term sustainability of public service pensions by funding benefits from accumulated contributions rather than government expenditure alone.

4.0 THE POSITION OF THE PUBLIC SERVICE COMMISSION ON ISSUES RAISED BY THE PETITIONERS

(A) ISSUE NO. 3 - It is correct that, with effect from 1st January 2021, the public service transitioned from the Defined Benefits Scheme administered by the National Treasury to the Defined Contribution Scheme established under the Public Service Superannuation Scheme Act (PSSS Act). Section 5 of the PSSS Act provides:

> *5. Membership of the Scheme –*
>
> *(1) A person who –*
>
> *(a) at the commencement of this Act, is employed in the public service on permanent and pensionable establishment and –*
>
> *(i) has not attained the age of forty-five years;*
>
> *(ii) if the person has attained the age of forty-five years opts, within three months of such commencement or such longer period as the Cabinet Secretary may, by notice in the Gazette, prescribe, that this Act shall apply to him; or*

(b) joins the public service on or after the commencement of this Act on a permanent and pensionable establishment, shall be a member of the Scheme.

(2) For the avoidance of doubt, the law to be applied with respect to the retirement benefits of a person in the public service at the commencement of this Act who does not, where required, opt for the application of this Act under subsection (1)(a), shall be the law in force when that period of service commenced.

(3) A member, other than a member who has retired and has opted to be paid his benefits under section 28(2)(a), who for any reason leaves the public service shall cease to be a member of the Scheme.

(B) ISSUE NO. 4 - Under Section 5(1)(a)(ii) of the PSSS Act, every officer above 45 years at the PSSS's commencement was given the option to join the Scheme; no discrimination arose. Officers who chose to remain in the Defined Benefits Scheme did so by exercising that right. The claim that the transition created a discriminatory dual-pension architecture is therefore unfounded, as every officer over 45 years of age at the point of transition was free to choose.

As for officers who had already retired before the transition, the PSSS Act cannot apply retrospectively. The PSSS is, moreover, a contributory scheme; since these retirees did not contribute to it, they cannot now be converted to PSSS benefits and their pensions remain fully funded by the Government. In any event, discrimination arises only where persons in the same category are treated differently. In this case, retirees are treated uniformly under the Defined Benefits Scheme, and serving officers were transitioned to the PSSS uniformly, so no discrimination occurs in either group.

(C) ISSUES NO. 5, 7 AND 8 - On the concerns regarding **Sections 5 and 17** of the Pensions Act (Cap. 189), the National Treasury constituted a Multi-Agency Task Team in 2024 to review all the pension laws; whose membership includes the Public Service Commission. This review is ongoing, and any resulting amendments or repeals will go through the normal legislative process, which is expected to address these concerns.

(D) ISSUE NO. 6 - The Commission agrees that periodic actuarial evaluations are needed to review pension benefits against inflation and the cost of living. This is among the matters the Multi-Agency Task Team is addressing, with proposals to be carried forward through the legislative process.

5.0 CONCLUSION

The Commission submits that the discrimination claim has been fully addressed above and does not hold. The remaining issues raised by the Petitioners have merit and are already under active consideration by the Multi-Agency Task Team under the National Treasury.

THANK YOU HONOURABLE CHAIRPERSON AND MEMBERS.

① DAA GPC & 14/7/26

② Weke-PCA II
Pls deal
15/7/26

Our Ref: NSSF/MTO/C/1/8 VOL.I
Your Ref: NA/DAA&GPC/PPC/2026/106

3 July 2026

Office of the Clerk
The National Assembly
P.O. Box 41842-00100
NAIROBI

Attention: Mr. Samuel Njoroge, CBS

Dear Sir,

RE: REQUEST FOR WRITTEN SUBMISSIONS ON PUBLIC PARTICIPATION NO 8 OF 2026 REGARDING THE AMALGAMATION OF THE CIVIL SERVICE NON-CONTRITBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

Reference is made to your letter Ref No. NA/DAA&GPC/PPC/2026/106 dated 22 June 2026 with respect to the above subject.

The National Social Security Fund is a statutory body established under the National Social Security Fund Act, 2013 to provide social security through a mandatory contributory pension scheme for employees in Kenya.

The Fund respectfully observes that the issues raised in the Petition principally concern the administration, financing and reform of pension schemes established under the Pensions Act (Cap.189) and the Public Service Superannuation Scheme Act, 2012. The Petition raises concerns premised on public pension policy, pension administration, fiscal sustainability and the protection of pensioners' rights. While these concerns merit consideration, the proposals advanced require careful constitutional, legal, actuarial and fiscal evaluation before legislative action can be recommended.

The administration of the Civil Service Non-Contributory Pension Scheme, pensions payable under the Pensions Act (Cap. 189), the Public Service Superannuation Scheme established under the Public Service Superannuation Scheme Act, 2012 and pension adjustments made under the Pensions (Increase) Act (Cap.190) fall under the policy and administrative responsibility of the National Treasury through the Pensions Department and the Public Service Superannuation Fund.

NATIONAL ASSEMBLY
RECEIVED
14 JUL 2026
DEPUTY CLERK
J.W.N
P.O. Box 41842-00100, NAIROBI

NATIONAL ASSEMBLY
RECEIVED
14 JUL 2026
CLERK'S OFFICE
P. O. Box 41842, NAIROBI.

National Social Security Fund
P.O. Box 30599-00100, Nairobi, Kenya T: (020) 2729911, 2710552
E: info@nssfkenya.co.ke W: www.nssf.or.ke

ISO 9001: 2015 Certified

From the onset any review of the Pensions Act (Cap. 189), the Public Service Superannuation Scheme Act, 2012 and the Pensions (Increase) Act (Cap.190) should consider the following;

- comprehensive actuarial valuation of liabilities under both schemes;
- fiscal implications for the Consolidated Fund;
- accrued pension rights and legitimate expectations of beneficiaries;
- transition arrangements for serving officers and pensioners;
- governance and administration of the proposed unified scheme;
- compatibility with existing employment contracts and terms of service.

Kindly find enclosed, our written submissions with respect to the prayers sought in the petition, premised on our position as a key stakeholder in the Retirement Benefits Industry.

Yours faithfully

DAVID KOROSS, MBS
MANAGING TRUSTEE/CEO

Encl.

NSSF MEMORANDA WITH REGARD TO THE AMALGAMATION OF THE CIVIL SERVICE NON-CONTRITBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

S/NO	ITEM	NSSF RESPONSE	RATIONALE
1	Enactment of the Public Service Superannuation Scheme Act, 2012 facilitated the transition from the traditional non-contributory Defined Benefit (DB) system to the current Defined Contributory DC) Scheme effective 1st January 2021.	The shift from the Defined Benefit system to the Defined Contributory Scheme was intended to: 1) ensure the pension system remains financially sustainable; 2) reduce the government's long-term pension burden; 3) create a funded retirement savings system; 4) share pension costs between employees and the government; and 5) improve the efficiency and transparency of pension administration.	1) The former pension system provided defined benefits based on salary and years of service, fully funded by the Government through the Consolidated Fund. The Public Service Superannuation Scheme Act, 2012 introduced a Defined Contribution model where both employees and the Government contribute to individual retirement accounts. 2) Officers aged 45 years and below joined the new scheme, while those above 45 remained under the Defined Benefit scheme to safeguard accrued entitlements. The reform shifted Government from an unfunded pay-as-you-go system to a funded contributory model, aimed at improving fiscal sustainability, reducing long-term liabilities, and enhancing transparency.
2	The transition has created a discriminatory dual-pension architecture. The Petitioners argue that while new entrants benefit from the modern contributory framework, existing retirees remain tethered to an obsolete system characterized by inadequate and irregular payments. This disparity, they claims constitutes a constitutional	The notion of dual pension cannot arise because the Defined Benefit (DB) and Defined Contribution (DC) schemes operate on distinct and non-overlapping principles. The DB scheme provides benefits based on years of service and salary formulae, while the DC scheme is based on actual contributions and investment returns for the period served under	1. Members of the Public Service Superannuation Fund (PSSF) are beneficiaries of a modern contributory framework in which both employees and the Government make contributions, pursuant to the applicable legal framework. This differs from retirees who did not contribute towards their pensions but

	discrimination against persons of the same class of entitlement.	that arrangement. Since each scheme applies to different service periods and maintains separate funding arrangements and liabilities, there is no duplication of benefits for the same service, ensuring that each entitlement is earned and paid independently.	instead draw benefits from the Consolidated Fund. 2. The recent pension reforms mandate the use of the Electronic Pension Management Information System (e-PMIS), which replaces manual, paper-based processes with an end-to-end digital platform that enables public servants to track their contributions and benefits. These reforms are intended to address existing inefficiencies and improve the timeliness and reliability of pension payments. 3. The existence of different statutory pension schemes does not, by itself, constitute discrimination contrary to Article 27 of the Constitution. The Constitution permits legislative classification where such differentiation is founded on legitimate governmental objectives and bears a rational relationship to those objectives. The Public Service Superannuation Scheme was introduced as part of a broader policy reform intended to establish a financially sustainable contributory pension system for future public officers. Existing pensioners and officers who had accrued benefits under the previous legal regime retained rights protected by law. Transitional arrangements of this

			nature are common in pension reforms and do not necessarily amount to unconstitutional discrimination.
3	The Petitioners further cite Section 5 of the Pension Act CAP 189 which defines a pension as an absolute right and through service. They express grievance over the statutory requirement for retiring officers to commute one- quarter (1/4) of their pension asserting that this practice diminished the monthly disposal income available to retires.	The Public Service Superannuation Fund is a Defined Contribution (DC) scheme where both the employee and the government make monthly contributions. Retirees can commute up to one-third (1/3) of their accumulated savings as a lump sum. The remaining two-thirds (2/3) is used to purchase an annuity or fund a monthly drawdown for life. Members have the freedom to select the life insurance company that provides their preferred annuity rate In contrast, the Pensions Act (Cap. 189) provides for Non-contributory Defined Benefit Scheme (fully funded by the government), where the payout is predetermined by a formula based on final salary and years of service. Retirees are limited to commuting one-quarter (1/4) of their accrued pension as a lump sum, while the remaining three-quarters (3/4) is paid out as a monthly pension for life. Benefits are legally defined, rigid, and strictly managed by the Treasury's Pensions Department.	The argument that commutation diminishes the monthly disposable income available to retirees does not hold, as the level of commutation and the resulting pension payouts differ between schemes. Under the Defined Benefit arrangement, a lower portion (1/4) is commuted, resulting in a lower monthly pension, while under the Defined Contribution scheme a higher portion (1/3) is commuted, resulting in a comparatively higher monthly pension. Each framework is structured differently, and benefits are calibrated accordingly to ensure actuarial balance.
4	The Petitioners further recall that in 2014, the Salary and Renumeration Commission guided by actuarial valuations recommended a periodic review of pension benefits every three years to safeguard against inflation.	Periodic actuarial reviews are essential in assessing the financial viability and sustainability of the pension scheme over time.	We believe that the National Treasury is best placed to advise on this issue, given its mandate over public finance management and fiscal policy. It is best positioned to assess the affordability, fiscal impact, and long-term sustainability

	They allege that the National Treasury has failed to undertake these comprehensive reviews, leaving pensioners exposed to economic hardships occasioned by the rising cost of living.		of any proposed pension reforms, ensuring that policy decisions are informed by sound fiscal and actuarial analysis.
5	The Petitioners are also concerned with the inconsistent application of Section 17 of the Pensions Act which governs the payment of benefits to dependents. They claim that the administrative process for next of kin to access benefits upon the death of Principal officer remain onerous and prohibitive.	A review of administrative processes can significantly streamline the payment of benefits to beneficiaries in line with Section 17 of the Pensions Act (Cap. 189). This being an administrative process, represents a low-hanging fruit that can be readily addressed through targeted process improvements and operational reforms.	We believe that the implementation of the Electronic Pension Management Information System (e-PMIS) by the Director of Pensions will enhance efficiency and reduce the turnaround time for verification, approval, and processing of pension claims. It will also enable beneficiaries to access death benefits more easily and in a timely manner.
6	The Petitioners are concerned that the Government has inconsistently applied provisions of Section 17 of the Pensions Act that obligate payment of pension payments to dependents upon the death of the officer, in this regard access to pension benefits upon death of the principal officer by the respective next of kin remains extremely onerous and violating the said provisions		
7	Prayers sought by the Petitioners: a) The National Assembly directs the amalgamation of all non-contributory civil service pension schemes into a single, unified, and sustainable framework	The following would need to be taken into consideration: 1. Government Policy. The decision on whether to proceed with such a reform would therefore depend on established policy directions aimed at enhancing efficiency, sustainability, and coherence in the management of public service pensions.	The decision to amalgamate non-contributory civil service pension schemes into a unified framework is appropriately reserved for Government as it is a sovereign fiscal and policy matter affecting national budgeting, public debt, and long-term financial commitments. It involves the use of public funds and requires alignment with national development priorities, constitutional obligations, and the protection of public servants and retirees.

		2. An actuarial valuation would be required to determine the liability payable to in-service employees under the Defined Benefit Scheme and the corresponding amount to be transferred into the Defined Contribution Scheme. Consequently, the Government would bear the financial burden of consolidating and transitioning existing pension obligations from the Defined Benefit Scheme to the Defined Contribution Scheme. 3. The application would only extend to in-service employees and not retirees, as retirees receive their pension benefits through an outsourced arrangement with a registered insurer. Accordingly, it is not feasible for the Public Service Superannuation Fund (PSSF) to pay pensions directly to retirees. 4. In addition to the above, the following will need to be looked into; (a) fiscal implications for the Consolidated Fund; (b) accrued pension rights and legitimate expectations of beneficiaries; (c) transition arrangements for serving officers and pensioners; (d) governance and administration of the proposed unified scheme;	

		(e) compatibility with existing employment contracts and terms of service.	
	b) The National Assembly urges the National Treasury and SRC to conduct an immediate actuarial study and gazette pension increases to mitigate the effects of inflation.	The recommendation to conduct an immediate actuarial study and gazette pension increases to mitigate the effects of inflation is based on the need to: 1. Preserve the purchasing power of pensions by offsetting the erosion of benefits caused by inflation. 2. Ensure pension benefits remain adequate in light of inflation, life expectancy, demographic trends, and other economic factors. 3. Support evidence-based decision-making through objective actuarial analysis to determine fair, sustainable, and affordable pension adjustments. 4. Maintain the financial sustainability of the pension scheme by balancing pension increases with the scheme's long-term financial capacity. 5. Comply with statutory and policy requirements governing periodic pension reviews and the gazettement of approved pension increases.	A distinction should be drawn between policy recommendations and legally enforceable obligations. While periodic actuarial reviews and pension adjustments are sound public policy measures, implementation depends on the applicable statutory framework, availability of public resources and budgetary priorities approved through the constitutional public finance process. Any review of pension benefits should be undertaken in accordance with the governing legislation and supported by actuarial evidence to ensure both fairness to pensioners and fiscal sustainability. It is noted that actuarial study will inform the gazettement of pension increases to preserve the purchasing power and adequacy of pensions in the face of inflation.
	c) The National Assembly facilitates the review of the Pensions Act (Cap.198)	The Pensions Act (Cap. 189) and the Pensions (Increase) Act (Cap. 190)	Periodic review of pension legislation is consistent with good governance and

	and the Pensions (Increase) Act (Cap. 190)	were enacted before the promulgation of the Constitution of Kenya, 2010. Consequently, may be need to review these laws to ensure their conformity with the Constitution, particularly with respect to the protection of fundamental rights and freedoms, and to ensure that the legislations remain effective, relevant, and responsive to evolving social, economic, technological, and legal developments.	enables Parliament to respond to changing demographic, economic and fiscal circumstances. Such review should be comprehensive and informed by: • actuarial studies; • comparative pension law; • stakeholder consultations; • constitutional principles; • fiscal impact assessments; and • international best practices on pension governance. A review would also consider, the ongoing concerns about equity between different categories of public officers and to align the Act with constitutional requirements and evolving government pension policy. This review would however be initiated by the National Treasury.

PSSF
PUBLIC SERVICE
SUPERANNUATION FUND
Empowering Futures

SUBMISSIONS ON THE FEASIBILITY OF AMALGAMATING KENYA'S CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME UNDER THE PENSIONS ACT (CAP. 189) WITH THE CONTRIBUTORY PUBLIC SERVICE SUPERANNUATION SCHEME UNDER THE PUBLIC SERVICE SUPERANNUATION SCHEME ACT, CAP 189A

11TH AUGUST 2026

1. BACKGROUND

By a letter Ref. DAA&GPC/PPC/2026/099 dated 22nd June 2026, the Public Service Superannuation Fund was invited to a meeting with the Public Petitions Committee on Petition No. 10 of 2026 regarding amalgamation of the civil service non-contributory pension scheme and the Public Service Superannuation Fund.

The Petition raises concerns regarding the transition from the traditional non-contributory Defined Benefit pension system to the contributory pension framework established under the Public Service Superannuation Scheme Act, 2012 (Cap. 189A), which became operational on 1st January 2021.

The Petitioners contend that the transition has resulted in a dual pension architecture that allegedly discriminates between different categories of public servants and retirees. They further seek, among other reliefs, the amalgamation of all non-contributory civil service pension schemes into a single sustainable framework and reforms to the legislative framework governing public service pensions.

These submissions consider whether the Petition raises issues properly attributable to the Public Service Superannuation Fund and whether the coexistence of the two pension frameworks constitutes unlawful discrimination. The submissions conclude by indicating the policy approach to determining the viability of the proposal for amalgamation of the two schemes.

2. ESTABLISHMENT AND STATUTORY MANDATE OF THE PUBLIC SERVICE SUPERANNUATION FUND

The Public Service Superannuation Fund (PSSF) is a defined contribution (DC) scheme that commenced on 1 January 2021 pursuant to Legal Notice No. 156 published in the Kenya Gazette Supplement No. 146 of 12 August 2020. It is established under the Public Service Superannuation Scheme Act, Cap 189A enacted in 2012 (the PSSS Act). PSSF is governed by a Board of Trustees and is regulated by the Retirement Benefits Authority under the Retirement Benefits Act Cap. 197.

PSSF was established in response to the unsustainability of the defined benefits arrangement under the Pensions Act Cap. 189 and in line with National Treasury Circular No. 18 of 2010 – which directed all public service defined benefit schemes to convert to defined contribution schemes. The Scheme has the statutory mandate to:

a) pay retirement benefits to members of the Scheme;

b) ensure that every member of the Scheme receives his retirement benefits as and when they become due;

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

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

Key features of PSSF

The Key features of PSSF are as follows: -

a) Membership: The scheme covers all public officers serving as teachers under the Teachers Service Commission, civil servants in the Public Service Commission, and the Disciplined Services Personnel (National Police Service, Kenya Prisons Service, and the National Youth Service) who were aged below 45 years as at 1 January 2021, all new entrants to the above services on or after 1 January 2021, and public servants whose services were transferred to county governments. Officers aged 45 years or above as at 1 January 2021who did not opt into PSSS remain under Cap. 189.

b) Contributions: Members contribute 7.5% of their monthly basic salary and the Government contributes 15% of each member's monthly basic salary, constituting a direct charge on the Consolidated Fund.

c) Benefits: Benefits are determined by the total accumulated contributions and the investment returns thereon, rather than a fixed formula. This transfers investment risk from the Government to the member.

d) Portability: Benefits under the PSSS are fully portable and transferable to any other registered scheme.

e) Regulation: The scheme is regulated by the RBA and is required to comply with all requirements of the Retirement Benefits Act, including the maintenance of audited accounts and the holding of Annual General Meetings.

3. DISTINCTION BETWEEN PSSF AND THE NON-CONTRIBUTORY SCHEME UNDER THE PENSIONS ACT, CAP 189

The table below sets out the key structural and legal differences between Cap. 189 and the PSSS:

Feature	PSSF (Contributory DC)	Cap. 189 (Non-Contributory DB)
Legal basis	Public Service Superannuation Scheme Act (Cap 189A), 2012	Pensions Act (Cap. 189), enacted 1946
Scheme type	Defined Contribution (DC) – accumulation-based	Defined Benefit (DB) – benefit formula-based
Member contributions	7.5% of monthly basic salary	None – fully employer-financed
Employer contributions	15% of monthly basic salary (charge on Consolidated Fund)	Pay-as-you-go from Consolidated Fund
Benefit calculation	Accumulated member + employer contributions + investment returns	1/480 x months of service x final salary
Fund / asset backing	Fully funded – assets held in the Public Service Superannuation Fund	Unfunded – no assets set aside
Regulation	Regulated by the Retirement Benefits Authority (RBA)	Not regulated by RBA
Portability	Fully portable	Non-portable
Investment risk	Borne by the member	Borne entirely by Government
Vesting	Immediate vesting of contributions	After 10 years of pensionable service
Commencement	1 January 2021	1 January 1946
Membership	Officers aged below 45 years at commencement, those aged 45 years and above who opted in, and all new entrants on/or after 1 Jan 2021.	Officers in service before 1 Jan 2021.
Early exit benefits	Access on resignation, dismissal, ill-health, immigration, death	Forfeiture of pension if below 10 years; limited gratuity

4. PSSF SUBMISSIONS

In view of the foregoing analysis, PSSF submits as follow in regard to the issues raised in the public petition: -

i) Concerns about discrimination between different categories of public servants

The Petition before the Public Petitions Committee assumes that the existence of different pension arrangements for different categories of public servants is

inherently discriminatory. That assumption is not accurate and is r
the existing constitutional principles, local and international pen
practices on dual pension arrangements. The contributory and non-cc
schemes are administered under different legislative regimes
commutation factors guiding the two schemes are based on their res
financing structures and designs. Since the Civil Service Pension Sche
unfunded, it applies a commutation factor of ¼ while the Public Service Superannuation Fund has a commutation factor of ⅓ because it is funded.

ii) Amalgamation of all non-contributory civil service pension schemes into single, unified and sustainable framework

The contributory and non-contributory schemes operate under different legal and statutory regimes. The non-contributory civil service scheme is unfunded and benefits are discharged on a pay-as-you-go model whereas PSSF is funded and both employees and the Government contribute towards members' retirement benefits. Amalgamation of the schemes may be undertaken but will require a policy directive by the Government through the National Treasury. Amalgamation would require at least the following conditions to be met:

a) *Review of Primary legislation:* Parliament has to enact a comprehensive amendment Act or a new consolidated public service pension Act. Such legislation would need to repeal Cap. 189 in whole or in part, amend the PSSS Act to accommodate a hybrid benefit structure, provide for the transfer of accrued liabilities, and preserve the vested rights of existing Cap. 189 members.

b) *Constitutional compliance:* any legislation must respect the vested rights of existing Cap. 189 pensioners and members under Article 40 of the Constitution. Conversion of accrued defined benefits to defined contribution accounts without consent or actuarially equivalent compensation would be unconstitutional. An opt-in mechanism, providing existing Cap. 189 members with a genuinely equivalent alternative, is the minimum constitutional requirement.

c) *Actuarial equivalence:* the transfer value of accrued Cap. 189 entitlements must be calculated by an independent qualified actuary and credited to individual DC accounts, or the merged scheme must establish a ring-fenced defined benefit sub-fund for Cap. 189 liabilities until they run off naturally.

d) *Fiscal provision:* Parliament must make adequate fiscal provision for the capitalisation of Cap. 189 liabilities, either directly from the Consolidated

Fund, from a bond issuance, or through a structured multi-year funding plan approved by the National Treasury and the RBA.

e) *RBA approval:* the merged scheme must be registered with the RBA and comply with all applicable requirements of the Retirement Benefits Act.

f) *Consultation and consent:* in keeping with the principles of fair labour practices under Article 41 of the Constitution and the requirements of the Labour Relations Act (Cap. 234), the Government must meaningfully consult the relevant stakeholders before legislating any change that affects the terms of pensionable employment.

iii) Request to the National Treasury and SRC to conduct an immediate actuarial study and gazette pension increases to mitigate the effects of inflation

PSSF is aware that the National Treasury conducted an actuarial assessment of the non-contributory civil service Pension Scheme as at 30th June 2024. Any decision regarding the implementation of the actuarial valuation report falls within the mandate of the National Treasury.

iv) Review of the Pensions Act (Cap 189) and the Pensions Increase Act (Cap 190)

PSSF submits that the decision to grant additional pension increases through a review of the prevailing the statutory framework would require consideration and policy decision by the Government.

5. CONCLUSION

While a dual public service pension architecture exists under the Pensions Act and the Public Service Superannuation Scheme Act, the distinction between them and any possible amalgamation is rationally connected to legislative, regulatory, fiscal, actuarial and policy considerations. These matters fall within the broader mandate and jurisdiction of the National Treasury.

The issues raised by the Petitioners concern commutation of pension benefits, pension increases and inflation adjustments, dependants' benefits and administrative processes relating to pension payments. These matters concern the administration of pensions under the Pensions Act and are regulated principally by the Pensions Act (Cap. 189) and related legislation governing non-contributory public service pensions. Notably, the Petitioners' grievances do not concern matters within the mandate and statutory jurisdiction of PSSF (which are employee contributions, employer contributions, member accounts, Fund governance, investment management and benefits payable under PSSF).

-THE END-

KENYA NATIONAL ASSOCIATION OF PUBLIC SERVICE PENSIONERS
P.O BOX 316-20200
KERICHO
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Tel: +254705175758

DLPS Please deal. 24/02/26

The clerk

National Assembly Of Kenya

P.O Box 41482-00100

Email: can@parliament.go.ke

NAIROBI

Date: 13/02/2026

Advance copy via email

2 Head-PT Please facilitate Angeline 24/2

3 Shikuku Please, do response & process. 6/3/26

4 Dorothy, Draft Petition and response to Petitioner

RE: PUBLIC PETITION FOR AMALGAMATION/ CONVERSION OF FORMER CIVIL SERVICE NON-CONSTRIBUTORY PENSION SCHEMES TO THE CURRENT PUBLIC SERVICE WORKERS CONTRIBUTION SCHEME UNDER PUBLIC SERVICE SUPERANNUATION FUND OF 2021 AND AMENDMENT OF THE PENSION ACT, CAP 189 AND PENSIONS (INCREASED)ACT CAP.190 OF THE LAWS OF KENYA.

Pursuant to the Petition to the, National Assembly of the Republic of Kenya (procedure Act (No.22 of 2012) and also article 37 and 119 of the Constitution of Kenya 2010 and Standing Orders No. 219-229 part XXIII, every person has a right to petition parliament to consider any matter within its Authority, including enacting, amending or repealing any legislation.

We, the undersigned officials of our organization and being citizens of the Republic of Kenya.

DRAW the attention of the; National Assembly to the following:

1. **THAT** as part of the reforms in the public service pensions' sector, the government enacted the public service superannuation scheme Act, 2012, which converted the previous, Non-contributory, the Defined Benefits (DB) to Defined Contributory (DC), stopped new entrant to the old pension scheme, with effect from 1st January 2021 and commencement of the public service superannuation scheme (PSSS).
2. **THAT** the objective was to align; public service pension scheme with the best practice in the retirement benefits industry, guarantee equality and freedom from discrimination as stipulated under Article 27 of the constitution of Kenya 2010.
3. **THAT** with the creation of; public service superannuation fund (PSSF) shifted the exchequer funded pension system to a defined contribution system, left the old defined benefits pensioners as destitute.
4. **THAT** under the new system, public service workers are deducted 7.5 percent of their salary, employer (government) contribute; 15 percent, while in the old Defined Benefit Pension system under the current obsolete/ outmoded pension Act, Cap. 189; section 5 states that, on retirement, the public officers is compelled to commute one quarter ($^1/_4$) of the total pension to facilitate payment of monthly pension.

NATIONAL ASSEMBLY PETITIONS DESK 25 FEB 2026 SERIAL No. 846 RECEIVED

NATIONAL ASSEMBLY RECEIVED 23 FEB 2026

NATIONAL ASSEMBLY RECEIVED 23 FEB 2026 CLERK'S OFFICE P O Box 41842, NAIROBI

RE: PUBLIC PETITION FOR AMALGAMATION/ CONVERSION FORMER CIVIL SERVICE NON-CONSTRIBUTORY PENSION SCHEMES TO THE CURRENT PUBLIC SERVICE WORKERS CONTRIBUTION SCHEME UNDER PUBLIC SERVICE SUPERANNUATION FUND OF 2021 AND AMENDMENT OF THE PENSION ACT, CAP 189 AND PENSIONS (ONCREASED)ACT CAP.190 OF THE LAWS OF KENYA.

5. **THAT** the quarter rule contribution under the old defined pension system, matches/relates to the new system of Defined Contributory System, where the retiree commute one third and now qualifies our petition for conversion of the old pension system to the Defined contributory System and the pensioners under the old system be absorbed, based on their previous Job group/cross salaries and pension be adjust accordingly.
6. **THAT** Human capital is one of the most valuable assets, we own as a Country, especially when we are at productive, but it tends to be the most ignored in planning for retirement in order to boost Knowledge-Based Economy like in developed Countries i.e. first world Countries.

   The concept and notation of old age, retirement and pensions was first introduced in Germany by Chancellor Bismark at the beginning of the Twentieth Century and put in place favorable laws to cater for their senior citizens to further contribute towards their National Development.
7. **THAT** section 5 of the pension Act Cap 189 defines pension as absolute right for those who have given excellence services in the public service and as such pension is earned and not a privilege.
8. **THAT** these senior citizens deserve a framework recognition, having done their best during their period of service and now facing significant challenges despite their substantial contribution, hence they are in dire needs, comprehensive wellness programs be designed to address their physiological and enthusiastic issues plus ex-grata last expense payment as part of their social protection as per **Article 57** of constitution of Kenya 2010.
9. **THAT** sessional paper No. 3 of 1985 had recommended on that, wherever there is a general salary revision for serving civil servants; there shall be a corresponding increase for government pensioners.
10. **THAT** the salaries and Remuneration commission (SRC) was established under the Kenya Constitution 2010 Article 230 and the salaries and Remuneration 2010 Act No. 10 of 2011; with its mandates to; "Consultation with the, National Treasury and other relevant Parties, undertake periodic reviews and make recommendations on pension to compensate for the rise of cost of living, based on latest actuarial study and valuation and increase in consumer price index as reported by the Kenya National Bureau of statistics (KNBS) ."

RE: PUBLIC PETITION FOR AMALGAMATION/ CONVERSION FORMER CIVIL SERVICE NON-CONSTRIBUTORY PENSION SCHEMES TO THE CURRENT PUBLIC SERVICE WORKERS CONTRIBUTION SCHEME UNDER PUBLIC SERVICE SUPERANNUATION FUND OF 2021 AND AMENDMENT OF THE PENSION ACT, CAP 189 AND PENSIONS (ONCREASED)ACT CAP.190 OF THE LAWS OF KENYA.

11. **THAT** we petition for amendment of the pension act Cap 190 to provide for triennial review of pensions in payment over and above biennial one in FY2013/2014 as per the recommendation from; SRC.
12. **THAT** the salaries and Remuneration Commission (SRC) in 2014 based on, Actuarial study valuation, had recommended revision of pension increased by 50% of the pensioners, under the old Defined Benefit system, once every three (3) years.
13. **THAT** the pension Act Cap 189 of the laws of Kenya should be amended accordingly to provide inclusivity to dependents on Death of officer's in service or retirement.
14. **THAT** section 17 of the pension Act cap 189 be amended accordingly to expand the period, the next of kin access pensioner's benefits from the current five (5) years to life, taking into consideration the current prevailing life expectancy and recognition of Article **57** of the Constitution of Kenya 2010.
15. **THAT** the pension Act Cap 189 and pensions (increase) Act cap 190 be repealed accordingly as the two, are old pieces of legislation, that came into force in 1942, 1st July 1956 respectively and public service superannuation scheme Acts, 2012 to supersedes it forthwith.
16. **THAT** there has never been any policy on comprehensive pension policy prior to commencement of the current Defined Contribution System.
17. **THAT** retirement is a major shift in life and comes with various challenges especially with regard to adaptation and declining income and most of the insurance firms, discriminate the retirees on age grounds.
18. **THAT**, we have made the best effort to have this matter addressed by the relevant authorities, all of which have failed to give a satisfactory response.
19. "**THAT**, none of these issues raised in this petition is pending in any court of law, constitutional or any other legal body,"

"**WHEREFORE**, your humble petitioners pray that, the National Assembly,"

(i) **THAT** the old Defined Benefit Pension be converted to Defined Contributory Pension Scheme under one legal framework that is the public service pensions sectors, **Public service superannuation scheme Act, 2012 with effect from 1st January 2021**

(ii) **THAT** the old Defined Benefit pensioners' pension be increased as per the recommendation of the; Salaries and Remuneration Commission (SRC) in 2014 and once every three (3) years.

(iii) **THAT** the pensions Act, Cap 189 and pension (Increase) Act, Cap 190 be repealed accordingly.

(iv) "A comprehensive post- retirement wellness and ex-grata last expense program be designed for all public service pensioners,"

(v) "Makes any other recommendation or action it deems fits in addressing the plight of the petitioners,"

RE: PUBLIC PETITION FOR AMALGAMATION/ CONVERSION FORMER CIVIL SERVICE NON-CONSTRIBUTORY PENSION SCHEMES TO THE CURRENT PUBLIC SERVICE WORKERS CONTRIBUTION SCHEME UNDER PUBLIC SERVICE SUPERANNUATION FUND OF 2021 AND AMENDMENT OF THE PENSION ACT, CAP 189 AND PENSIONS (ONCREASED)ACT CAP.190 OF THE LAWS OF KENYA.

Dated this ..13TH.. day ..FEBRUARY.. 2026

NO	NAME	ID/NO.	SIGNATURE
1.	JOHN SEREM	3842514	
2.	ENG. RICHARD BETT	7646208	
3.	OLIVE CHEPKOECH	32134757	

REGARDING AMALGAMATION, CONVERSION OF FORMER CIVIL SERVICE NON CONTRIBUTORY PENSION SCHEMES TO THE CURRENT PUBLIC SERVICE NORMER CONTRIBUTION SCHEME UNDER THE PUBLIC SERVICE SUPERANNUATION FUND OF 2021 AND AMENDMENT OF PENSIONS ACT

Ms Drafting
Effect the corrections and forma Part 2 the same to be drafted
SK 2/9/26

REPUBLIC OF KENYA

THE NATIONAL ASSEMBLY (FIFTH SESSION)

CONVEYANCE OF PUBLIC PETITION

(No. _____ of 2026)

REGARDING CONVERSION OF FORMER CIVIL SERVICE PENSION SCHEMES TO THE PUBLIC SERVICE SUPERANNUATION SCHEME AND AMENDMENT OF THE PENSIONS ACT AND THE PENSIONS (INCREASE) ACT

1. **Honourable Members,** Article 119 of the Constitution of Kenya, 2010 accords every person the right to petition Parliament to consider any matter within its authority. Further, Standing Order 225(2)(b) requires the Speaker to report to the House any Petition other than that presented by a Member.

2. **Honourable Members,** I wish to report to the House that my office has received a Petition from Mr. John Serem of the Kenya National Association of Public Service Pensioners of P.O Box 316-20200 Kericho, a body representing former civil service workers and retirees countrywide.

3. **Honourable Members,** the Petitioners, who are public service pensioners adversely affected by the current pension framework governing the public service, aver that the Government, through the Public Service Superannuation Scheme Act, 2012, converted the previous Non-Contributory Defined Benefit (DB) pension scheme to a Defined Contributory (DC) scheme effective 1st January 2021. This conversion excluded new entrants from the old scheme, leaving existing pensioners under an obsolete system whose obligations remain unmet in terms of adequacy and regularity of payment.

4. The Petitioners argue that the current dual-pension architecture discriminates against former public servants under the Non-Contributory Defined Benefit pension scheme, who receive inadequate and irregular payments compared to the Defined Contributory scheme. They contend that this disparity amounts to unconstitutional discrimination among persons of the same class of entitlement.

5. **Honourable Members,** the Petitioners note that Section 5 of the Pensions Act, Cap. 189 defines pension as an absolute right earned through public service. Yet, the current system compels retiring officers to commute one quarter (¼) of their pension, thereby reducing monthly income available to retirees. This reduction is particularly burdensome given the rising cost of living, as evidenced by consumer price indices published by the Kenya National Bureau of Statistics (KNBS).

THE NATIONAL ASSEMBLY
OFFICE OF THE CLERK

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www.parliament.go.ke/the-national-assembly

When replying, please quote reference
KNA/DLPS/ PETD/CORR/2026/ (846) **1st April 2026**

Kenya National Association of
Public Service Pensioners
P.O. Box 316-20200
KERICHO
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AMALGAMATION/ PUBLIC PETITION REGARDING CONVERSION OF FORMER CIVIL SERVICE NON CONTRIBUTORY PENSION SCHEMES TO THE CURRENT PUBLIC SERVICE WORKERS CONTRIBUTION SCHEME UNDER THE PUBLIC SERVICE SUPERANNUATION FUND OF 202 AND AMENDMS OF THE PENSIONS ACT

Dear

RE: PUBLIC PETITION SEEKING TO AMALGAMATION CONVERSION OF THE FORMER CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME TO THE CURRENT PUBLIC WORKERS CONTRIBUTION SCHEME

We acknowledge receipt of your Petition on the above-mentioned subject matter.

By a copy of this letter, the Petition is duly received for consideration in accordance with the Constitution, Petitions to Parliament (Procedure) Act, 2012 as well as the provisions of the National Assembly Standing Orders relating to Public Petitions.

We appreciate your engagement on this important matter.

Yours

Kipkemoi arap Kirui, OGW
For: CLERK OF THE NATIONAL ASSEMBLY

REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY (FIFTH SESSION)

CONVEYANCE OF PUBLIC PETITION
(No. _____ of 2026)

REGARDING AMALGAMATION/CONVERSION OF FORMER CIVIL SERVICE NON CONTRIBUTORY PENSION SCHEMES TO THE CURRENT PUBLIC SERVICE WORKERS CONTRIBUTION SCHEME UNDER THE PUBLIC SERVICE SUPERANNUATION FUND OF 2021 AND AMENDMENT OF THE PENSION ACT

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REGARDING CONVERSION OF FORMER CIVIL SERVICE PENSION SCHEMES TO THE PUBLIC SERVICE SUPERANNUATION SCHEME AND AMENDMENT OF THE PENSIONS ACT AND THE PENSIONS (INCREASE) ACT

I Thank You!

THE RT. HON. MOSES WETANG'ULA, EGH, MP
SPEAKER OF THE NATIONAL ASSEMBLY

Date: .....

SEREM COPY

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NAIROBI

Date: 13/02/2026

Advance copy via email

PARLIAMENTARY PUBLIC PETITION COMMITTEE BRIEF

(NO.08 of 2026)

REGARDING THE AMALGAMATION OF THE CIVIL SERVICE NON-CONTRIBUTORY PENSION SCHEME AND THE PUBLIC SERVICE SUPERANNUATION FUND

1. Introduction

A pension is an amount of money an employer pays an employee on a monthly basis when they are no longer in service upon attaining the mandatory retirement age, voluntary retirement, attainment of 50 years of age, injury, ill health, or the abolition/reorganization of an office. It can also be paid to a deceased officer's dependants. A gratuity, on the other hand, is an amount of money paid in a lump sum to retired officers or their dependants.

Officers who exit the public service are expected to receive gratuities, pensions, and other terminal benefit allowances for the number of years of service rendered. This aims at securing a stable future for pensioners and their dependants, enabling them to access basic services such as healthcare, shelter, and education and other personal obligation.

The Kenyan Public Service currently has approximately 250,000 pensioners drawing pensions from the Government.

The payment of pensions and other allied benefits to Civil Servants in our country was first started by the Colonial Government for Europeans in 1927 and for Non-Europeans from 1932. The Pensions Act (Cap 189) of the Laws of Kenya came into operation in its present form on 1st January 1946.

The payment of pensions and other related benefits to civil servants in Kenya is governed by the Pensions Act (Cap 189), plus other minor Acts of Parliament that make provisions for granting

and regulating the payment of pensions, gratuities, and other allowances in respect of Public Service officers under the Government of Kenya.

According to the existing terms and conditions of service in the public service, officers expect terminal benefits in accordance with their letters of appointment, which are usually permanent and pensionable.

Under this pension system, there are two categories of employees;

- (a) Non-pensionable employees
- (b) Pensionable employees

These categories were based on the date of employment, namely:

- (i) Those employed prior to 1st April 1966 for male officers.
- (ii) Those employed in January 1977 for female officers.

In lieu of the above, several civil servants ended up being retired without any benefit and hence this shows high level of discrimination.

In accordance with the provisions of the Pensions Act (Cap 189), Civil Servants or their dependants may be paid, on leaving the service of the government and on fulfillment of certain conditions, one or more of the following benefits:

- Service pension plus Commuted Pension
- Service gratuity
- Marriage gratuity
- Injury Pension
- Death gratuity
- Dependants Pension
- Compassionate gratuity
- Annual allowance

In a nutshell, Kenya lacks a comprehensive Pension Policy, leading to an uncoordinated and fragmented approach to the management and development of retirement benefits sector up to 1st January 2021. This has resulted in a situation where the majority of Kenyans remain uncovered, with an estimated 18.2 percent of the population enjoying any form of retirement benefits.

The Cabinet approved the National Retirement Benefits Policy on 3rd November 2023 to give effect to **Article 43(1)(e) and Article 57 of the Constitution of Kenya 2010**. These articles

SR C2015 10% Increase

guarantee social security as a right and obligate the State to ensure the rights of older members of society, respectively.

It should be noted that, **Human Capital** assets are among the most valuable assets to a country, especially when they are productive, yet they tend to be the most ignored in planning.

The Constitution of Kenya (2010) in Article 260 defines an older person as any Kenyan aged at least sixty years. It recognizes older persons as distinct right holders (Article 57) entitled to care and protection from the State.

The concept and notation of retirement, old age, and pensions was first, introduced in Germany by Chancellor Bismarck at the beginning of the twentieth century. He put in place favourable laws and pegged the retirement age at 65 years, even though life expectancy at birth was 45 years. In Kenya, life expectancy is roughly 78 years for males and 85 years for females.

In short, the number of years of life does not merely signify the end; it is a transition to a new phase of life. Statistics show there are people who "retire" as early as in their youth. Retirement resources are what one needs to continue living a dignified way of life much longer after retiring.

The Cabinet Secretary for Labour should come up with a functional framework, for the engagement with Public Service Pensioners, in national development, accompanied by Honoraria payment, as these pensioners are exiting the service with substantial knowledge and expertise; which remained untapped.

It should be noted that, most of the pensioners are still energetic and with active mental capacity. Contrary to the illusion that they have been assumed of the same.

Kenya Vision 2030 identifies the role of retirement benefits as crucial in rendering financial and social security in retirement, thereby providing a secure future for pensioners and their families. This is especially vital given the breakdown of traditional structures that used to support society members during times of distress.

The Retirement Benefits sector has 3 key pillars:

1. **Zero Pillar:** Mainly cash transfers to elderly citizens.
2. **First Pillar:** Mandatory NSSF.
3. **Second Pillar:** Civil Service Pension Schemes.

Kenya's Vision 2030 intends to realize a globally competitive and prosperous Kenya by the year 2030. The overall objectives are to build a higher and sustainable Knowledge-Based Economy (KBE), similar to models applied in South Korea and Singapore. Every age group holds strategic

resources. The majority of our pensioners possess cutting-edge expertise that developed countries have been actively poaching through "Brain Drain," thereby denying Kenya the much-needed services from the human capital it helped train.

The Government has operated a **Non-Contributory Pension Scheme** since independence, fully financed through the exchequer. The new scheme, the Public Service Superannuation Scheme, is established by the Public Service Superannuation Scheme Act. As per the National Treasury Circular No. 18 of 2010 directing the conversion from a Non-Contributory to a Defined Contributory Scheme (DC), this aligns the pension framework with international best practices.

The Salaries and Remuneration Commission (SRC) is established under the Kenya Constitution 2010, Article 230, and the Salaries and Remuneration Commission Act No. 10 of 2011.

Its mandate include to; "consultation with the National Treasury and other relevant parties, undertake periodic reviews and make recommendations on pension frameworks to ensure automatic adjustments, compensate for the rise in the cost of living", based on consumer price index from; based on Kenya National Bureau of Statistics (KNBS) and the same should be gazette.

Pensions should be calculated based on the latest actuarial study and valuation to compensate for inflation within a period of twelve months ending on the review date each year. This adjustment should reflect the increase in the Consumer Price Index (Cost of Living) recorded by the Kenya National Bureau of Statistics (KNBS), and the Cabinet Secretary should gazette the information relating to these automatic adjustments.

In reference to sessional paper No.3 of directs that in any salary revision for serving civil servant, there shall be a corresponding adjustment to any pension.

The Cabinet Secretary for the National Treasury and Economic Planning should immediately implement the Salaries and Remuneration Commission's recommendation on the Pension Increase Policy as contained in the *Public Sector Remuneration and Benefits Policy Framework (First Edition)* and the *Public Sector Remuneration and Benefits Policy 2015*, which was submitted to the National Treasury for implementation to curb deep disparities in pension payments.

Approximately 25 percent of public service pensioners currently earn below Ksh 4,000 per month in pensions, which is below the average overall poverty line.

The Retirement Benefits Authority (RBA) carried out a survey on pensioners in 2024 which confirmed that many pensioners were still catering for family obligations, such as settling medical bills and providing for grandchildren because their own sons and daughters are unemployed. Section 5 of the Pensions Act (Cap 189) defines a pension as an absolute right for those who have given an excellent contribution of service towards nation-building in Kenya, meaning a pension is earned and is not a privilege.

Section 27(4) of the Constitution of 2010 states:

"The State shall not discriminate directly or indirectly against any person on any ground, including race, sex, marital status, health status, ethnic or social origin, colour, age, disability, religion, conscience, belief, culture, dress, language or birth."

Therefore, pensioners in this instance have been discriminated against.

Pension is an employment benefit and therefore falls within the mandate of the Salaries and Remuneration Commission (SRC) and any legislative proposal or review thereof is subject to the mandate of the SRC as provided in the Constitution.

In that connection, the Salaries and Remuneration Commission (SRC) in 2014, based on an Actuarial Study Valuation, recommended a revision increase of 50 percent for pensioners under the Non-Contributory system once every three years.

The pensioners while in service were enjoying, a comprehensive medical scheme, which ceased immediately on retirement and the pensioners were abruptly stopped at the traffic light.

The pensioners should be noted that they have contributed substantially, towards building our nation and hence, deserve to be catered for under an enhanced **post-retirement medical schemes**, and now facing significant challenges despite their substantial contribution, hence they are in dire needs, comprehensive wellness programs be designed, to address their physiological and enthusiastic issues plus ex-grata **last expense** payment as part of their social protection as per **Article 57** of constitution of Kenya 2010.

This leaves them vulnerable to a variety of ailments associated with age and inadequate finances. Most of our pensioners are facing significant challenges despite having contributed substantially to building the nation and paying various taxes. They deserve a vibrant wellness program as per Article 43(1)(a) of the Constitution, which includes the right to healthcare services plus ex-gratia last-expense support. A voluntary post-retirement medical scheme should be established for pensioners to guarantee the highest attainable standard of health.

It should be noted that the majority of public service pensioners never prepared properly for retirement through advance pre-retirement planning.

Advancements in medicine and technology have increased life expectancy, meaning people are now living much longer after retiring. One needs resources to continue living a dignified way of life likes ever before.

The Cabinet Secretary for the National Treasury and Economic Planning should initiate a comprehensive review and repeal of the Pensions Act (Cap 189) of the Laws of Kenya and the Pensions Increase Act (Cap 190) of the Laws of Kenya to align them with the provisions of the Constitution of Kenya 2010 and conform to the realities of the day.

In particular, the review should consider:

- The frequency of pension reviews based on actuarial review and valuation studies.
- The minimum payable pension is specified as compared to the current Ksh. 2000 as per the Pension Act Cap 189.
- The urgent need for Cost of Living Adjustments (COLA).

The Pensions Act (Cap 189) and the Pensions Increase Act (Cap 190) are colonial pieces of legislation enacted and assented to by the Governor of Kenya Colony; on 1st July 1942 and 1st July 1956, respectively.

The updates which were intended to enhance the welfare of pensioners have become outdated. The review, repeal, or amendment should make these Acts compliant with the provisions of the Constitution of Kenya 2010, particularly Articles 10(2)(b), 21(3), 27(4), and 43, alongside international conventions, recommendations, and resolutions on older persons, ageing, and sustainable development.

The review, repeal, or amendment of these two Acts (Cap 189 and Cap 190) is essential because they are jointly applied in the management and administration of pensions and gratuities payable to pensioners under; **Non-Contributory Schemes** and hence qualifies to be termed as colonial and obsolete and have been superseded by the constitution of Kenya 2010.

Furthermore, the formula used to calculate a **pensioner's emoluments** should be revised, and a scientific one should be developed accordingly by qualified actuarial experts.

The recommendations of the Salaries and Remuneration Commission (SRC), that the existing framework for reviewing pensions payable to the public service under the Pensions Act (Cap 189) and the Pensions Increase Act (Cap 190) be amended should be adopted immediately. This

must make provision for additional discretionary pension increases over and above those provided in Cap 189 and Cap 190.

Public service pensioners must be protected from being pushed into extreme poverty due to inflation, and automatic COLA must be affected accordingly.

The recommendation in Sessional Paper No. 3 of 1985 should be honoured accordingly, which states: Wherever there is a general salary revision for serving Civil Servants, there shall be a corresponding increase for Government Pensioners.

Section 17 of the Pensions Act (Cap 189) should be amended accordingly to expand pension entitlement, to the **Next Of Kin** from the current; five (5) years to a life once the pensioner passes on and gives provision for social security. This will enable dependants to maintain a dignified life after death of the pensioner until, his/her remarriage or structural social protection ends.

It is critical to note that since independence in 1963, Kenya has never developed a comprehensive Pension Policy, which would provide a framework for regular reviews.

Another sensitive issue of great concern is that pensioners under the Non-Contributory scheme are not explicitly protected under the Constitution of Kenya 2010.

The Sustainable Development Goals (SDGs) and the International Labour Organization (ILO) declare that a pension is an essential part of social protection. When the cost of living rises and there is no equivalent increase in pensions, it reduces the purchasing power of pensioners, thereby putting them at risk and placing them below the poverty line, causing them to slide into a poverty trap.

Available information in Kenya shows that approximately 25 percent of the roughly 220,000 pensioners earn less than Ksh 4,000 per month, which is below the official poverty line. The Kenya National Bureau of Statistics (KNBS) calculates the official poverty line at Ksh 4,624 per month. Pensioners drawing pensions near or slightly above this poverty line figure are also progressively slipping into absolute poverty due to inflation.

Further, an important consideration must be made regarding the adequacy of pensions and their ability to retain purchasing power and real value for money. It is observed that the current average pension sits very low under the closed, Non-Contributory scheme, especially for pensioners who retired before the year 2005.

The pensionable emoluments used to calculate pensions back then were very low, making the resultant pension payable to these retirees minute. Consequently, the current 3 percent bi-annual pension increase for those who retired before 2005 has no significant impact.

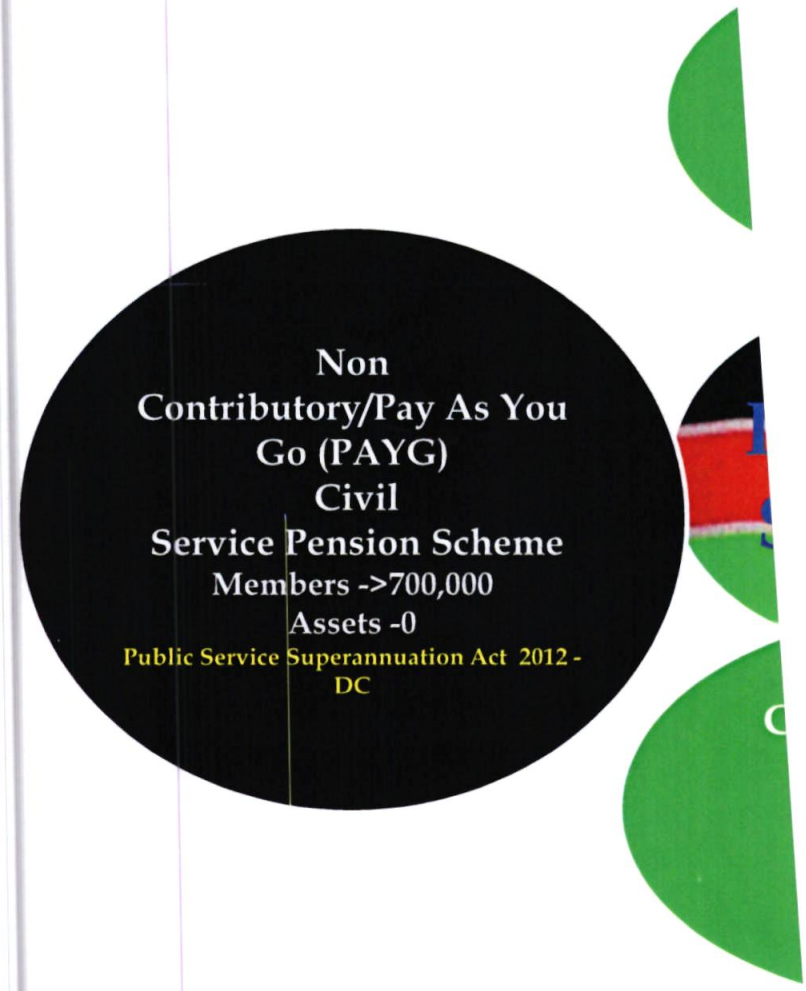
In the absence of a structured Cost of Living Adjustment (COLA) policy as it relates to pensions, pensioners have continued to be exposed to chronic income insecurity. Now that the National Retirement Benefits Policy is in place to give effect to Article 43(1)(e) and Article 57 of the Constitution of Kenya, the state is obligated to protect older members of society.

The policy provides a framework for the retirement benefits sector covering:

- (i) Harmonization
- (ii) Coordination
- (iii) Governance
- (iv) Growth
- (v) Development

This framework is geared toward ensuring affordable, adequate, and sustainable retirement benefits in old age.

STRUCTURE OF



ANNEX 2

By Allowances and Benefits Department

The government provides retirement benefits to public officers as part of their terms of service, with a view to providing them with social security in old age as stipulated in Article 43(1)(e) of the Constitution of Kenya, 2010.

Provision of retirement benefits to public officers is intended to ensure a smooth transition from active service with employment income, to retirement with a certain level of replacement income.

This is so that the standard of living for public officers does not change drastically in old age. The retirement benefits are in form of pension and other non-pension benefits.

Retirement benefits in the public service are governed through various laws and regulations, government circulars and directives, including the National Treasury Circular No. 18 of 2010, and SRC Gazette Notices of 2017 for State officers, the Retirement Benefit Act 1997, the Income Tax law, and Trust Deed and Rules, which are State agency specific.

Other circulars and statutes include: Pension Act; Pensions Increase Act; Widows' and Children's Pensions Act; Parliamentary Pensions Act; Presidential Retirement Benefits Act; Public Service Superannuation Scheme (PSSS) Act; and National Social Security Fund (NSSF) Act.

Others are; Kenya Defence Forces (Pensions and Gratuities) Regulations, 2017; County Governments Retirement Scheme Act; and SRC Gazette Notices of 2013 and 2017 (gratuity benefit for State officers in the National and County Governments).

The laws and regulations provide varying retirement benefits for State and public officers, which has led to inequities and a rising pension bill. This situation arises owing to the absence of an over-arching retirement benefits policy in the public service that sets the guiding principles to be applied across board on structuring and management of retirement benefits for public servants in the country.

The management of the public service pension liability for a fiscally sustainable public service wage bill has been an ongoing conversation among stakeholders. It is envisaged that the National Treasury, in collaboration with other actors, will develop a National Pensions Policy and consolidate and harmonise the public service pension laws at the national and county governments level.

ANNEX 2

The need to develop a Retirement Benefits Policy for the public service was in realisation that there currently does not exist a retirement benefits policy to guide the necessary reforms in the management of retirement benefits in the public service.

In the absence of a common policy framework to guide on the provision and management of retirement benefits in the public service, different public service institutions have continued to set up separate retirement benefit schemes with different scheme designs and provisions.

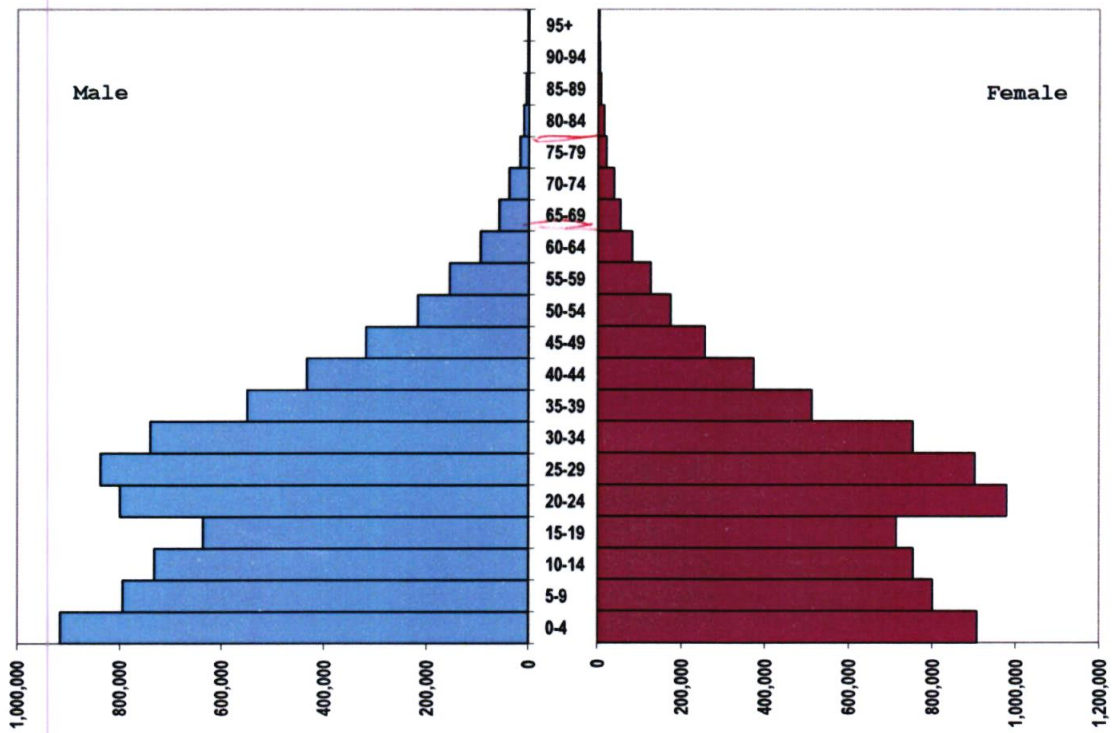
The practice has created inequity and unfairness within and across the public service, which has been a basis for requests for parity of treatment. Further, the public service retirement benefits bill has continued to rise, largely attributed to the existence of non-contributory schemes and upward review of salaries.

SRC has a mandate to determine, review and advice on remuneration and benefits payable in the national and county governments, including retirement benefits.

The case for the review of public service retirement benefits and the need for a policy is premised on the platform that SRC requires to address the growing pension bill to ensure its fiscal sustainability. This also requires addressing the disparities in the provision of retirement benefits to ensure the benefits are harmonised, fair and equitable.

By harmonising public service retirement benefits, SRC will have endeared itself to the principle of equity and fairness. Harmonisation will also lead to considerable cost and operational efficiencies.

Figure 2.3: Population Pyramid-Urban Areas, 2019



ANNEX 4

PENSION ACT-REPEAL

In 2010 the government undertook public sector shifting the pension schemes in the public sector from defined benefit to defined contribution schedules.

The pension reforms were introduced through the Public Service Superannuation Scheme Act CAP 189A which established the contributory Public Service Superannuation Scheme for providing retirement benefits to perfect persons in the public service operation on 1st January 1942. The Act provides for a defined benefit pension plan where the government undertakes to pay a specific pre-determined benefit to a pensioner.

National Assembly is mandated to legislate to any matter having the force of laws in Kenya, including Pension.

Parliamentary pensions scheme is a Contributory is a Defined Benefit (DB) Plan where the employer promises a specified Pension Payment, lump-sum or Combination thereof on retirement that is predetermined by a formula based on the employee's earning history, tenure of service, among others rather than depending directly on individual investment returns. such a scheme is now based on the performance of the scheme.

- Pension - essence of a pension scheme - protect against old age and live a dignified life

189A

~~Public~~ Public service superannuation scheme (Amendment) National Assembly BILL NO. 33 of 2025)

- Landmark transition from pay-as-you-go (PAYG) system - landmark reform

(f) two new cars of the retired President's choice, replaceable every three years, each car having an engine capacity not exceeding three thousand cubic centimetres;

(g) two four-wheel drive motor vehicles of the retired President's choice, replaceable every three years, each vehicle having an engine capacity of at least three thousand, four hundred cubic centimetres;

(h) a fuel allowance equal to fifteen per cent of the monthly salary currently paid to the serving President;

(i) an allowance equal to twenty-three per cent of the monthly salary currently paid to the serving President for electricity, water and telephone facilities;

(j) full medical and hospital cover, providing for local and overseas treatment, with a reputable insurance company for the retired President and his spouse and his children under the age of eighteen years;

(k) the additional benefits set out in the Schedule.

[Corr. No. 2/2004, Act No. 9 of 2013, s. 3.]

6. Role of a retired President

(1) A retired President shall not hold office in any political party for more than six months after ceasing to hold office as President.

(2) A retired President shall be expected to play a consultative and advisory role to the Government and the people of Kenya.

(3) A retired President may be requested by the Government to perform specific official functions and shall be paid a reasonable allowance in respect of such official functions.

(4) Notwithstanding the provisions of section 1, this section shall come into operation on the date of publication of this Act in the *Gazette*.

5. Pension and other benefits of retired Presidents

A retired President shall, during his lifetime, be entitled to—

(a) a lump sum payment on retirement, calculated as a sum equal to one year's salary for each term served as President;

(b) a monthly pension equal to eighty per cent of the monthly salary currently paid to the President;

(c) an entertainment allowance equal to fifteen per cent of the monthly salary currently paid to the serving President;

(d) a housing allowance equal to twenty-three per cent of the monthly salary currently paid to the serving President to cater for both an urban and a rural dwelling;

(e) suitable office space, not exceeding one thousand square metres, with appropriate furniture, furnishings, office machines, equipment and office supplies, to be provided and maintained by the Government;