

Approved for tabling.



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12/4/2022

REPUBLIC OF KENYA
THE NATIONAL ASSEMBLY

TWELFTH PARLIAMENT – SIXTH SESSION – 2022

DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING

PARLIAMENT
OF KENYA
LIBRARY

REPORT ON-
(PUBLIC PETITION NO. 009 OF 2021)

BY AGGRIEVED PENSIONERS ACROSS THE COUNTRY REGARDING DEVOLUTION OF
PENSION SERVICES

PARLIAMENT
OF KENYA
LIBRARY

DATE	12 APR 2022	TUE
HOST	HOTEL MIBOTEL MWALICA	
INCHARGE		

CLERK'S CHAMBERS
DIRECTORATE OF DEPARTMENTAL COMMITTEES
PARLIAMENT BUILDINGS
NAIROBI

APRIL 2022

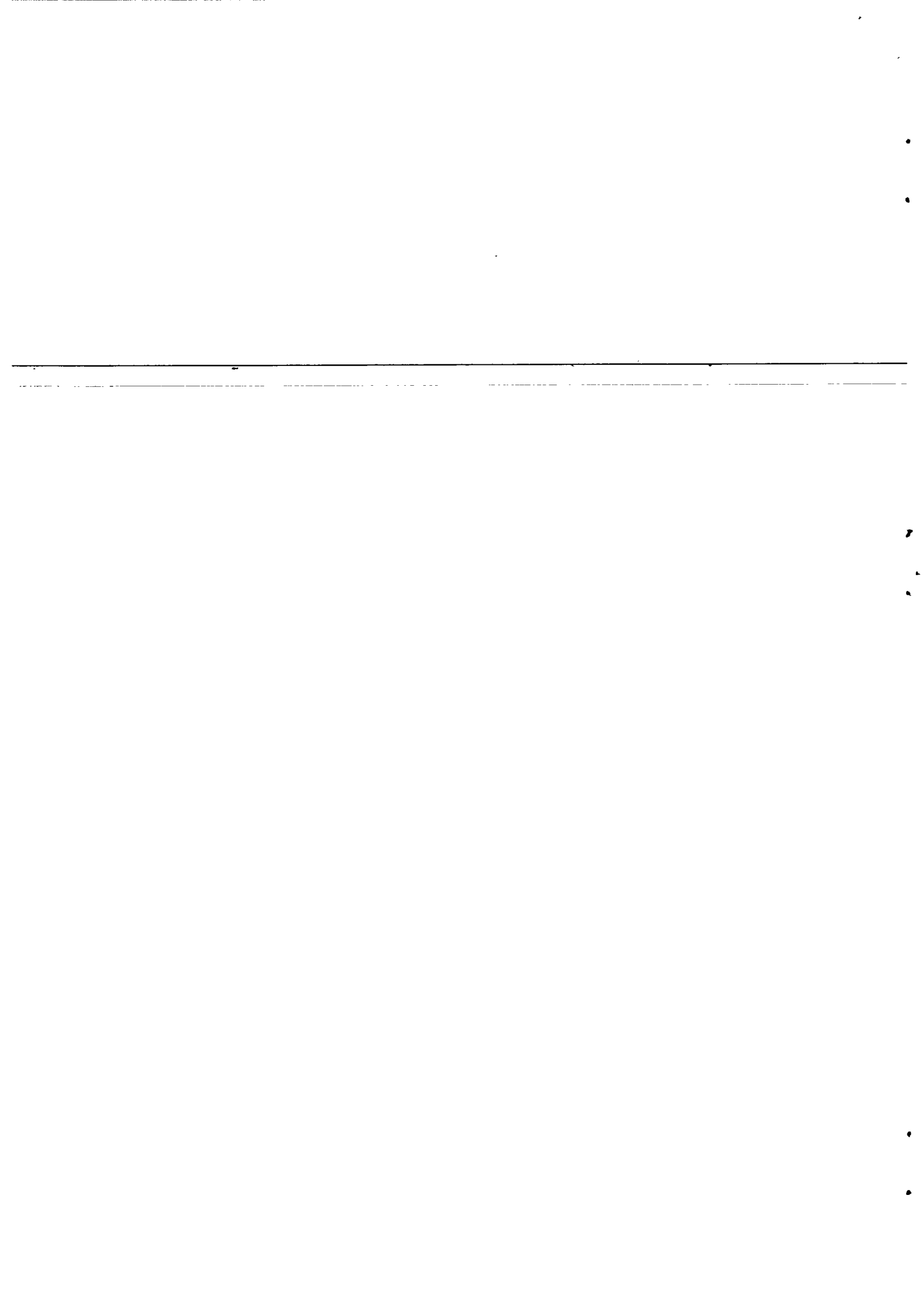


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ACRONYMS

MDAs	-	Ministries, Departments and Agencies
COVID	-	Corona Virus Disease
MP	-	Member of Parliament
CBS	-	Chief of the Burning Spear
MGH	-	Moran of the Golden Heart
PMIS	-	Pensions Management Information System
TSC	-	Teachers Service Commission
NPS	-	National Police Service
USSD	-	Unstructured Supplementary Service Data
GoK	-	Government of Kenya

CHAIRPERSON'S FOREWORD

This report contains proceedings of the Departmental Committee on Finance and National Planning on its consideration of Public Petition No. 009 of 2021. The report was presented to the House by Hon. Florence Mutua-Waingah, MP (Busia County) on 25th March 2021 on behalf of pensioners across the country regarding devolution of pension services.

The Petitioners prayed that the National Assembly through the Departmental Committee on Finance and National Planning:

1. investigates the matter of pending pension payments with a view of obtaining the status of pension payment at the Pension Department;
2. seeks detailed outline of measures being implemented by relevant authorities in dealing with perpetual delays in processing pensioners' dues;
3. recommends the urgent devolving of pension services to counties and initiates the devolution of pension services through legislation; and
4. makes any other recommendation that it deems fit in the circumstances of the Petition.

While considering the Petition, the Committee heard from the Petitioners through, Hon. Florence Mutua-Waingah, MP on 14th October 2021. The Committee vide its letter Ref: NA/DDC/F&NP/2021/67 dated 15th October 2021 sought the Cabinet Secretary for National Treasury's views on the Petition. The Cabinet Secretary provided responses to the Petition vide letter Ref: letter Ref: MOF/TE 200/01'C' (109) dated 26th October 2021.

The Committee observed that the National Treasury has put in place measures to address the issue of delays in payment of pension to retirees, however, the budgetary allocation for payment of pension is not adequate to cater for all retirees. Additionally, the Committee had considered the Pensions (Amendment) Bill (National Assembly Bill No. 26 of 2020) sponsored by Hon. Didmus Barasa, MP which proposed that a retiree's pension should be paid within ninety days when the pension becomes payable.

The Committee is grateful to Offices of the Speaker and Clerk of the National Assembly for the logistical and technical support accorded to it during its sittings. The Committee further wishes to thank the Petitioner for coming up with the Petition and the National Treasury for the information that they provided to the Committee which forms part of this report. Finally, I wish to express my appreciation to the Honorable Members of the Committee and the Committee Secretariat who made useful contributions towards the preparation and production of this report.

Pursuant to Standing Order 227, it is my pleasant duty to table the Report of the Departmental Committee on Finance and National Planning on its consideration of Public Petition No. 009 of 2021 by Hon. Florence Mutua-Waingah, MP (Busia County) on behalf of pensioners across the country regarding devolution of pension services

Hon. Gladys Wanga, CBS, MP

Chairperson, Departmental Committee on Finance and National Planning

PART ONE

1 PREFACE

1.1 ESTABLISHMENT OF THE COMMITTEE

1. The Departmental Committee on Finance & National Planning is one of the fifteen Departmental Committees of the National Assembly established under **Standing Order 216** whose mandates pursuant to the **Standing Order 216 (5)** are as follows:

-
- To investigate, inquire into, and report on all matters relating to the mandate, management, activities, administration, operations and estimates of the assigned ministries and departments;*
 - To study the programme and policy objectives of Ministries and departments and the effectiveness of their implementation;*
 - To study and review all the legislation referred to it;*
 - To study, access and analyze the relative success of the Ministries and departments as measured by the results obtained as compared with their stated objectives;*
 - To investigate and inquire into all matters relating to the assigned Ministries and departments as they may deem necessary, and as may be referred to them by the House;*
 - To vet and report on all appointments where the Constitution or any law requires the National Assembly to approve, except those under Standing Order No. 204 (Committee on appointments);*
 - To examine treaties, agreements and conventions;*
 - To make reports and recommendations to the House as often as possible, including recommendation of proposed legislation;*
 - To consider reports of Commissions and Independent Offices submitted to the House pursuant to the provisions of Article 254 of the Constitution; and*
 - To examine any questions raised by Members on a matter within its mandate.*

1.2 MANDATE OF THE COMMITTEE

2. In accordance with the Second Schedule of the Standing Orders, the Committee is mandated to consider, public finance, monetary policies, public debt, financial institutions (excluding those in securities exchange), investment and divestiture policies, pricing policies, banking, insurance, population revenue policies including taxation and national planning and development.
3. In executing its mandate, the Committee oversees the following government Ministries and departments:
 - i. National Treasury and Planning
 - ii. State Department for Devolution
 - iii. Commission on Revenue Allocation
 - iv. Office of the Controller of Budget
 - v. Salaries and Remuneration Commission

1.3 COMMITTEE MEMBERSHIP

4. The Departmental Committee on Finance and National Planning was reconstituted by the House in July 2020 and comprises of the following Members:

Chairperson

Hon. Gladys Wanga, CBS, MP
Homabay County
ODM Party

Vice-Chairperson

Hon. Isaac W. Ndirangu, MP
Roisambu Constituency
Jubilee Party

Members

Hon. Jimmy O. Angwenyi, MGH, MP
Kitutu Chache North Constituency
Jubilee Party

Hon. Christopher Omulele, CBS, MP
Luanda Constituency
ODM Party

Hon. Shakeel Shabbir Ahmed, CBS, MP
Kisumu East Constituency
Independent Member

Hon. Daniel Nanok, MP
Turkana West Constituency
Jubilee Party

Hon. (Dr.) Christine Ombaka, MP
Siaya County
ODM Party

Hon. Andrew Okuome, MP
Karachuonyo Constituency
ODM Party

Hon. David Mboni, MP
Kitui Rural Constituency
CCU Party

Hon. Francis K. Kimani, MP
Molo Constituency
Jubilee Party

Hon. Joseph Oyula, MP
Butula Constituency

ODM Party

Hon. Joshua Kandie, MP
Baringo Central Constituency
MCC Party

Hon. Stanley Muthama, MP
Lamu West Constituency
MCC Party

Hon. Edith Nyenze, MP
Kitui West Constituency
WDM-K

Hon. Catherine Waruguru, MP
Laikipia County
Jubilee Party

Hon. James Gichuhi Mwangi, MP
Tetu Constituency
Jubilee Party

Hon. (Prof.) Mohamud Muhamed, MP
Wajir South Constituency
Jubilee Party

Hon. Peter Lochakapong, MP
Sigor Constituency
Jubilee Party

Hon. Qalicha Gufu Wario, MP
Moyale Constituency
Jubilee Party

1.4 COMMITTEE SECRETARIAT

5. The Committee is facilitated by the following Secretariat:

Ms. Rose M Wanjohi
Senior Clerk Assistant/Head of Secretariat

Ms Jennifer Ndeto
Deputy Director, Legal Services

Ms. Laureen O. Wesonga
Clerk Assistant II

Mr. Josephat Motonu
Senior Fiscal Analyst

Mr. Chelang'a Maiyo
Research Officer II

Mr. Luka Mutua
Serjeant-At-Arms

Mr. Gideon Kipkogei
Hansard Reporter III

Ms. Terry Ondiko
Fiscal Analyst III

Mr. George Ndenjeshe
Fiscal Analyst III

Ms. Carolyne Musyoka
Hansard Reporter III

Ms. Carol Waweru
Hansard Reporter III

Ms. Christine Maeri
Audio Officer

PART TWO

2 PUBLIC PETITION NO. 009 OF 2021 REGARDING DEVOLUTION OF PENSION SERVICES

Public Petition No. 009 of 2021 by aggrieved pensioners across the country regarding devolution of pension services was conveyed in the House by Hon. Florence Mutua-Waingah, MP. The Petitioners drew the attention of the House to the following, THAT:

6. the Pensions Department under the National Treasury is mandated by law to ensure timely and efficient grant of pensions, gratuities and other retirement benefits to eligible public service retirees in order to ensure a dignified and secure livelihood once they leave public service;
7. contrary to expectation, most senior citizens are forced to make multiple, non-ending and fruitless follow-up visits to Bima House upon retirement in a bid to secure pensions rightfully due to them after many years of serving the public;
8. there have been repeated cases of pensioners' files mysteriously disappearing, or being adjudged as incomplete ostensibly on account of lack of sufficient personnel to handle thousands of pensioners' files resulting in inordinate delays in processing of pension payments;
9. these highly inconveniencing delays are a constant source of stress and depression for many pensioners who are compelled to spend their dwindling finances to travel between Nairobi and their far-flung home areas, with a number of them having to borrow transport money from friends because they no longer have any monthly income;
10. regrettably, some pensioners end up dying without having obtained their pensions for which they toiled for years, thereby leaving their next of kin in squalor, in addition to making them vulnerable to unscrupulous pension officers who contest their kinship status and delay the pension payments even further;
11. the Auditor-General's reports on the Pensions Department have repeatedly recommended the urgent reorganization of the Department in view of the perpetual inefficiencies, bottlenecks and unnecessary bureaucracies that continue to cause multiple inconveniences, complaints and outcries from pensioners and their families;
12. given the aforementioned systemic inefficiencies bedeviling the Pensions Department, devolution of pension services to counties is the only practical approach to salvaging the management of pensions and safeguarding the welfare of pensioners;
13. efforts to have the matter resolved by the Pensions Department have not borne any fruit; and
14. the matters raised in the Petition are not pending in any court of law in Kenya.

15. The Petitioners prayed that the National Assembly through the Departmental Committee on Finance and National Planning:

- i. investigates the matter of pending pension payments with a view of obtaining the status of pension payment at the Pension Department;
- ii. seeks detailed outline of measures being implemented by relevant authorities in dealing with perpetual delays in processing pensioners' dues;

~~iii. recommends the urgent devolving of pension services to counties and initiates the devolution of pension services through legislation; and~~

- iv. makes any other recommendation that it deems fit in the circumstances of the Petition.

PART THREE

3 SUBMISSIONS BY STAKEHOLDERS ON THE PETITION

3.1 SUBMISSION BY HON FLORENCE MUTUA-WAINGAH, MP

The Committee met Hon. Mutua on Thursday, 14th October 2021. She submitted as follows:

16. The Government should consider enhancing the services of Huduma Centres so that pension services can be included in the services offered by the Centres. This will make the services more reachable to retirees who do not stay in Nairobi.
17. The pension process should be electronic so that retirees can easily track the status of payment of their pension and to avoid cases of lost files.
18. The National Treasury should ensure that pension departments in Government offices are well facilitated for timely processing of pension for retirees.

3.2 SUBMISSION BY THE NATIONAL TREASURY AND PLANNING

In a letter, Ref: MOF/TE 200/01'C' (109) dated 26th October 2021, the Cabinet Secretary responded to the prayers in the Petition as follows:

Prayer No. 1: Pending pension payments with a view of obtaining status of pension payment at the Pensions Department

19. During the financial year 2020/2021 the department received a total number of 27, 968 pension claims and paid out 110,272,393,326.55 achieving 99% budget absorption.

Prayer No. 2: Measures being implemented by relevant authorities dealing with perpetual delays in processing pensioner's dues

20. The National Treasury has put in place several measures to address delays in the processing and payment of retirement and death benefit claims to the eligible claimants. The following are among the measures taken:
21. The Treasury has from time to time reminded MDAs of the policy to prepare and submit pension claim documents to the department nine (9) months ahead of the retirement of an officer to facilitate verification and authentication of the documentation. The 9-month period presents a window to confirm any document as may be necessary while officers are still in service.
22. The National Treasury has since eliminated the hitherto mandatory requirement to produce a Tax Clearance Certificate before onboarding a claim.
23. The National Treasury has mitigated the long period it took for dependents, of a deceased pensioner, to access the death gratuity by making direct payments into the account of the deceased officer's personal legal representative/next of kin so long as there is no dispute on next of kin. Previously all payments in deceased cases were made to the Public Trustee, another layer of unnecessary processes.

24. The National Treasury through the Pensions Department has collaborated with the Teachers Service Commission and the National Police Service to establish functional units of the Pensions Department in the respective organizations for efficient and effective onboarding of the pension payment claims. The offices are staffed with Pensions Officers and the Pensions Management Information System (PMIS) activated in the two institutions in order to effectively and efficiently deal with the large number of claims emanating from the two Services
25. This also saves on the time it would take to ferry the numerous and voluminous personal files to and from Bima House while at the same time reducing the turnaround time for addressing the queries that may be raised on any pension claim. In addition, the Department has beefed up the staffing in the two units with TSC now having twenty-three (23) pension officers based at TSC headquarters while another six (6) are based at the NPS headquarters. The Department will progressively roll out this service to MDAs with priority given to those with large number of staff. Such as Ministry of health and Agriculture. The rollout was affected by the unprecedented COVID-19.
26. The National Treasury has initiated the procurement process for a new Pensions System which will be web-based. The system is designed to manage pension activities both on the customers and Pension Department ends. The pension management activities on the part of the department include regular update of customers' information, while customers' activities include checking their payment status, making enquiries by sending mails, USSD, etc. It will enhance customer experience by facilitating interaction with the System devoid of human intervention.
27. The system aims at getting rid of the hurdles involved in the current pension management system. The web-based pension management system will increase the efficiency of the Department in responding to the needs of pensioners in time and also increase communication flow between both. The envisaged system will allow integration with other GoK management information systems and take advantage of the block-chain.

Devolving pension services to counties and initiates this devolution of pension services through legislation.

28. Administration of pension for staff of National Government cannot be devolved to the County Governments as this is a function of the National Government. However, customer care services have been decentralized to the Huduma Centres across the country. The Pensions Officers manning the pension counters provide a range of services to pensioners and dependants including; Receipt of dependant pension claims, Receipt of change of pay point requests, provide information on status of file processing and general enquiries

PART FOUR

4 ISSUES FOR DETERMINATION AS PER PRAYERS IN THE PETITION

The Committee observed as follows on the prayers that the Petitioners sought to be answered by the National Assembly:

Prayer 1: Pending pension payments with a view of obtaining status of pension payment at the Pensions Department

29. Based on the response submitted by the Cabinet Secretary, National Treasury on 26th October 2021, the Committee was informed that during the financial year 2020/2021, the Pensions Department received a total number of 27,968 pension claims and paid out 110,272,393,326.55 achieving 99% budget absorption.

Prayer 2: Measures being implemented by relevant authorities dealing with perpetual delays in processing pensioner's dues

30. Based on the response submitted by the Cabinet Secretary, National Treasury on 26th October 2021, the Committee noted that the National Treasury had put in place several measures to address delays in the processing and payment of retirement and death benefit claims to the eligible claimants. The following were among the measures taken:
31. The National Treasury has from time to time reminded MDAs of the policy to prepare and submit pension claim documents to the department nine (9) months ahead of the retirement of an officer to facilitate verification and authentication of the documentation. The nine-month period presents a window to confirm any document as may be necessary while officers are still in service.
32. The National Treasury has eliminated the hitherto mandatory requirement to produce a Tax Clearance Certificate before onboarding a claim.
33. The National Treasury has mitigated the long period it took for dependents, of a deceased pensioner, to access the death gratuity by making direct payments into the account of the deceased officer's personal legal representative/next of kin so long as there is no dispute on next of kin. Previously all payments in deceased cases were made to the Public Trustee, another layer of unnecessary processes.
34. The National Treasury through the Pensions Department has collaborated with the Teachers Service Commission and the National Police Service to establish functional units of the Pensions Department in the respective organizations for efficient and effective onboarding of the pension payment claims. The offices are staffed with Pensions Officers and the Pensions Management Information System (PMIS) activated in the two institutions in order to effectively and efficiently deal with the large number of claims emanating from the two Services.
35. This also saves on the time it would take to ferry the numerous and voluminous personal files to and from Bima House while at the same time reducing the turnaround time for addressing the queries that may be raised on any pension claim. In addition, the Department has beefed up the staffing in the two units with the Teachers Service Commission now having twenty-three (23) pension officers based at the TSC Headquarters while another six (6) are based at the NPS

Headquarters. The Department will progressively roll out this service to MDAs with priority given to those with large number of staff. Such as Ministry of Health and Ministry of Agriculture. The rollout was affected by the unprecedented COVID-19 Pandemic.

36. The National Treasury had initiated the procurement process for a new Pensions System which will be web-based. The system is designed to manage pension activities both on the customers and pension department ends. The pension management activities on the part of the department include regular update of customers' information, while customers' activities include checking their payment status, making enquiries by sending mails, USSD, etc. It will enhance customer experience by facilitating interaction with the System devoid of human intervention.

37. The system aims at getting rid of the hurdles involved in the current pension management system. The web-based pension management system will increase the efficiency of the Department in responding to the needs of pensioners in time and also increase communication flow between both. The envisaged system will allow integration with other GoK management information systems and take advantage of the block-chain.

Prayer 3: Devolving pension services to counties and initiates this devolution of pension services through legislation

38. Based on the response submitted by the Cabinet Secretary, National Treasury on 26th October 2021, the Committee was informed that the administration of pension for staff of National Government cannot be devolved to the county governments as this is a function of the National Government. However, customer care services have been decentralized to the Huduma Centres across the country. The pensions officers manning the pension counters provide a range of services to pensioners and dependents including: receipt of dependent pension claims; receipt of change of pay point requests; provide information on status of file processing; and general enquiries.

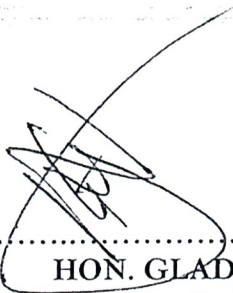
39. The Committee observed that the National Treasury had put in place measures to address the issue of delays in payment of pension to retirees, however, the budgetary allocation for payment of pension is not adequate to cater for all retirees. Additionally, the Committee had considered the Pensions (Amendment) Bill (National Assembly Bill No. 26 of 2020) sponsored by Hon. Didmus Barasa, MP which proposed that a retiree's pension should be paid within ninety days when the pension becomes payable.

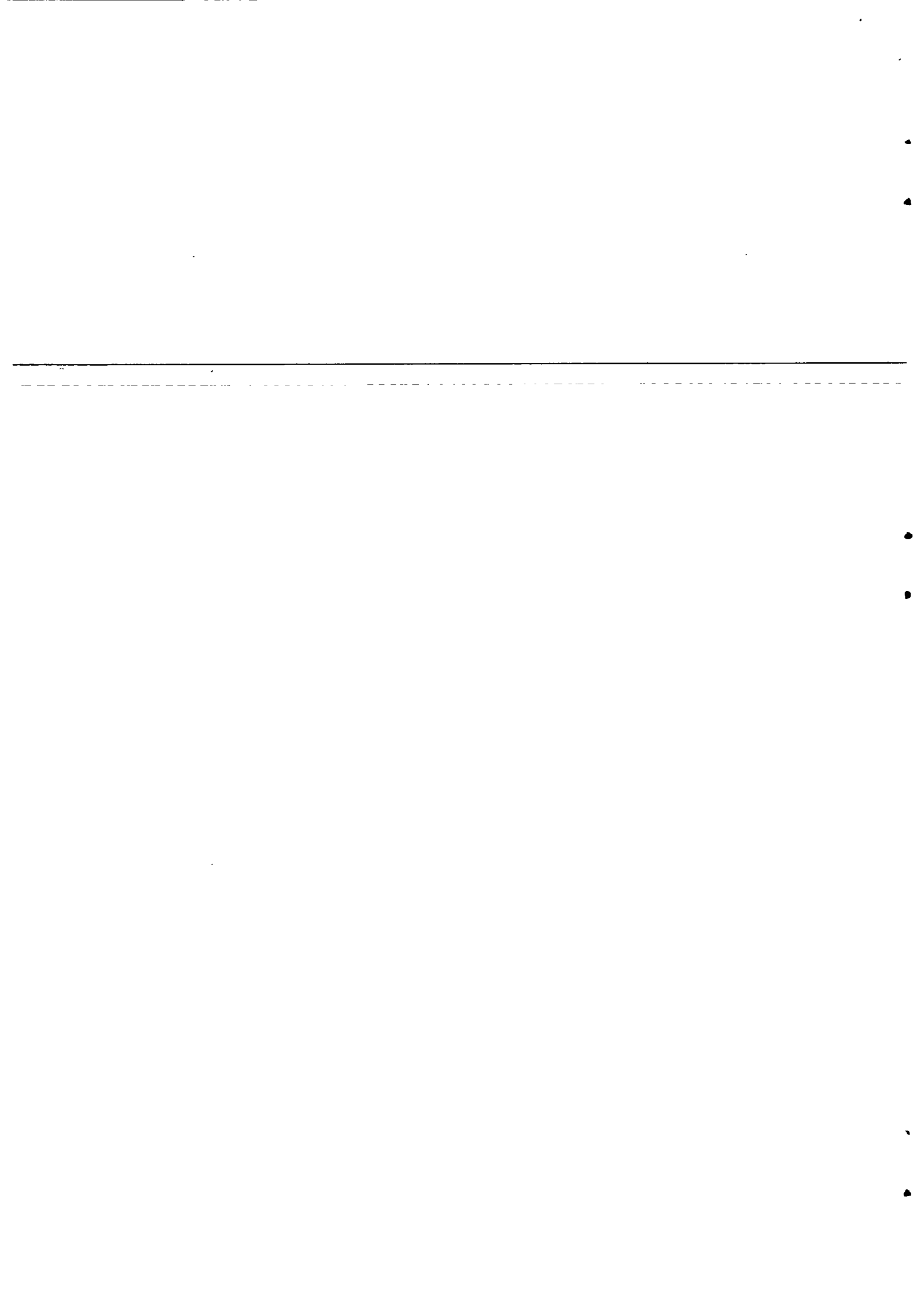
PART FIVE

5 COMMITTEE RECOMMENDATIONS

Pursuant to Standing Order 227, the Committee recommends as follows, THAT—

1. The National Treasury enhances pension services provided in Huduma Centres in order to eliminate the need for pensioners to travel to Nairobi for the services.
2. The National Treasury puts measures in place to ensure that MDAs comply with the policy requirement that pension documents should be submitted to the Pensions Department nine (9) months before the pension is payable.

SIGNED.......... DATE.....11/4/2022.....
HON. GLADYS WANGA, CBS, MP
CHAIRPERSON,
DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING





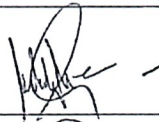

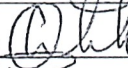
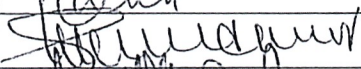
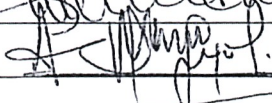

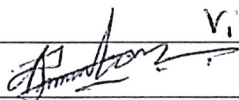


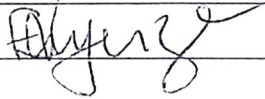
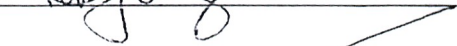




REPUBLIC OF KENYA

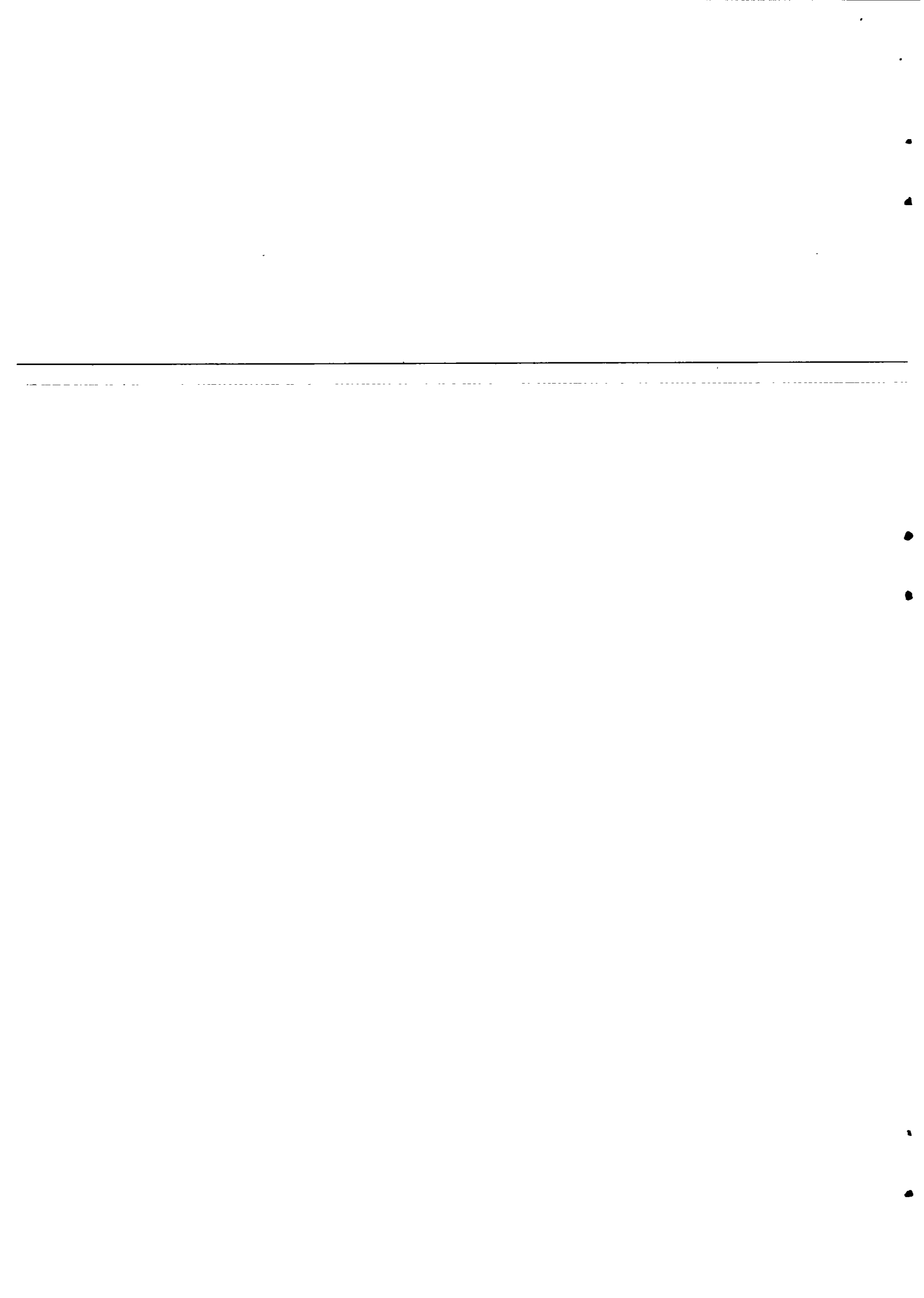
NATIONAL ASSEMBLY
DEPARTMENTAL COMMITTEE ON FINANCE & NATIONAL PLANNING

ADOPTION SCHEDULE

**ADOPTION SCHEDULE FOR THE REPORT ON THE PUBLIC PETITION NO. 09 OF 2021 REGARDING
DEVOLUTION OF PENSION SERVICES**

DATE: 8TH APRIL 2022

NAME	SIGNATURE
1. HON. GLADYS WANGA, CBS, MP – CHAIRPERSON	Virtual
2. HON. ISAAC W. NDIRANGU, MP – VICE-CHAIRPERSON	
3. HON. JIMMY O. ANGWENYI, MGH, MP	
4. HON. CHRISTOPHER OMULELE, CBS, MP	
5. HON. SHAKEEL SHABBIR AHMED, CBS, MP	
6. HON. DANIEL E. NANOK, MP	
7. HON. (DR.) CHRISTINE OMBAKA, MP	
8. HON. ANDREW A. OKUOME, MP	Virtual
9. HON. DAVID M. MBONI, MP	
10. HON. FRANCIS KURIA KIMANI, MP	
11. HON. JOSEPH M. OYULA, MP	Virtual
12. HON. JOSHUA KANDIE, MP	Virtual
13. HON. STANLEY M. MUTHAMA, MP	
14. HON. EDITH NYENZE, MP	
15. HON. CATHERINE WARUGURU, MP	
16. HON. JAMES GICHUHI MWANGI, MP	
17. HON. (PROF.) MOHAMUD SHEIKH MOHAMED, MP	
18. HON. PETER LOCHAKAPONG, MP	
19. HON. QALICHA GUFU WARIO, MP	



MINUTES OF THE 21ST SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD IN FORODHANI CONFERENCE ROOM AT SAROVA WHITESANDS HOTEL AND VIRTUALLY ON FRIDAY, 8TH APRIL 2022 AT 9:00 A.M.

PRESENT

- | | | |
|--|---|-------------------------|
| 1. Hon. Gladys Wanga, CBS, MP | - | Chairperson |
| 2. Hon. Isaac W. Ndirangu, MP | - | Vice-Chairperson |
| 3. Hon. Jimmy O. Angwenyi, MGH, MP | | |
| 4. Hon. Christopher Omulele, CBS, MP | | |
| 5. Hon. Shakeel Shabbir Ahmed, CBS, MP | | |
| 6. Hon. Daniel E. Nanok, MP | | |
| 7. Hon. Andrew A. Okuome, MP | | |
| 8. Hon. David M. Mboni, MP | | |
| 9. Hon. Joseph M. Oyula, MP | | |
| 10. Hon. Joshua C. Kandie, MP | | |
| 11. Hon. Edith Nyenze, MP | | |
| 12. Hon. Peter Lochakapong, MP | | |

ABSENT WITH APOLOGY

1. Hon. (Dr.) Christine Ombaka, MP
2. Hon. Francis K. Kimani, MP
3. Hon. Stanley M. Muthama, MP
4. Hon. Catherine Waruguru, MP
5. Hon. James Gichuhi Mwangi, MP
6. Hon. (Prof.) Mohamud Sheikh Mohamed, MP
7. Hon. Qalicha Gufu Wario, MP

IN ATTENDANCE

SECRETARIAT

- | | | |
|------------------------|---|---------------------------------|
| 1. Ms. Laureen Wesonga | - | Clerk Assistant II |
| 2. Ms. Jennifer Ndeto | - | Deputy Director, Legal Services |
| 3. Mr. Josephat Motonu | - | Senior Fiscal Analyst |
| 4. Mr. Chelang'a Maiyo | - | Research Officer II |
| 5. Mr. Luka Mutua | - | Serjeant-At-Arms II |
| 6. Mr. Gideon Kipkoech | - | Hansard Officer III |
| 7. Ms. Christine Maeri | - | Audio Officer |

AGENDA

1. Prayers
2. Confirmation of Minutes from the previous sitting(s) and Matters Arising
3. Consideration of the Petition No. 09 of 2021 regarding devolution of pension services
4. Adoption of the report on the consideration of the Petition No. 09 of 2021 regarding devolution of pension services
5. Any Other Business
6. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2022/109: COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at twenty minutes past nine and the Chairperson said the Prayer before calling for self-introduction of those present. The Chairperson then invited the Committee to deliberate on the day's agenda.

MIN.NO.NA/F&NP/2022/110: CONFIRMATION OF MINUTES
The agenda was deferred.

MIN.NO.NA/F&NP/2022/111: CONSIDERATION OF PETITION NO. 09 OF 2021 REGARDING DEVOLUTION OF PENSION SERVICES

The Committee went through the draft report on the consideration of Petition No. 09 of 2021 regarding devolution of pension services and made the following recommendations, THAT:

1. The National Treasury enhances pension services provided in Huduma Centres in order to eliminate the need for pensioners to travel to Nairobi for the services.
2. The National Treasury puts measures in place to ensure that MDAs comply with the policy requirement that pension documents should be submitted to the Pensions Department nine (9) months before the pension is payable.

MIN.NO.NA/F&NP/2022/111: ADOPTION OF THE REPORT ON THE CONSIDERATION OF PETITION NO. 09 OF 2021 REGARDING DEVOLUTION OF PENSION SERVICES

The report on the consideration of Petition No. 09 of 2021 regarding devolution of pension services was adopted having been proposed by Hon. Edith Nyenze, MP and seconded by Hon. Daniel Nanok, MP.

MIN.NO.NA/F&NP/2022/112: ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at one o'clock. The next meeting will be held at 2.00 p.m.

SIGNED..... DATE..... 11/4/2022


HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)

MINUTES OF THE 78TH SITTING OF THE DEPARTMENTAL COMMITTEE ON FINANCE AND NATIONAL PLANNING HELD IN THE COMMITTEE ROOM ON FIFTH FLOOR, CONTINENTAL HOUSE ON THURSDAY, 14TH OCTOBER 2021 AT 10:00 A.M.

PRESENT

- | | | |
|---|---|--------------------|
| 1. Hon. Gladys Wanga, CBS, MP | - | Chairperson |
| 2. Hon. Jimmy O. Angwenyi, MGH, MP | | |
| 3. Hon. Christopher Omulele, CBS, MP | | |
| 4. Hon. (Dr.) Christine Ombaka, MP | | |
| 5. Hon. David M. Mboni, MP | | |
| 6. Hon. Edith Nyenze, MP | | |
| 7. Hon. Francis K. Kimani, MP | | |
| 8. Hon. Joshua C. Kandie, MP | | |
| 9. Hon. Catherine Waruguru, MP | | |
| 10. Hon. James Gichuhi Mwangi, MP | | |
| 11. Hon. (Prof.) Mohamud Sheikh Mohamed, MP | | |
| 12. Hon. Peter Lochakapong, MP | | |
| 13. Hon. Qalicha Gufu Wario, MP | | |

ABSENT WITH APOLOGY

- | | | |
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| 1. Hon. Isaac W. Ndirangu, MP | - | Vice-Chairperson |
| 2. Hon. Shakeel Shabbir Ahmed, CBS, MP | | |
| 3. Hon. Daniel E. Nanok, MP | | |
| 4. Hon. Andrew A. Okuome, MP | | |
| 5. Hon. Joseph M. Oyula, MP | | |
| 6. Hon. Stanley M. Muthama, MP | | |

IN ATTENDANCE

SECRETARIAT

- | | | |
|------------------------|---|--|
| 1. Ms. Leah Mwaura | - | Senior Clerk Assistant/Head of Secretariat |
| 2. Ms. Jennifer Ndeto | - | Principal Legal Counsel I |
| 3. Ms. Laureen Wesonga | - | Clerk Assistant II |
| 4. Mr. Chelang'a Maiyo | - | Research Officer |
| 5. Mr. Luka Mutua | - | Serjeant-At-Arms |
| 6. Ms. Christine Maeri | - | Audio Officer |
| 7. Ms. Hannah Mwangi | - | Intern |

PETITIONERS

1. Hon. Florence Mutua, MP
2. Mr. Edward Mwangi
3. Ms. Rinah Karimi
4. Ms. Mercy Nyika
5. Ms. Abigael Githae
6. Ms. Hellen Oburu
7. Mr. Kimani Njogu

AGENDA

1. Prayers
2. Communication from the Chairperson
3. Confirmation of Minutes from the previous sitting(s) and Matters Arising
4. Meeting with Petitioners to consider the following Petitions:

- i. Petition regarding payment of pending bills owed to suppliers of the National Youth Service (NYS) for the period 2013 to 2018; and
 - ii. Petition regarding devolution of pension services.
5. Any Other Business
 6. Adjournment/Date of Next Meeting

MIN.NO.NA/F&NP/2021/360: COMMUNICATION FROM THE CHAIRPERSON

The meeting was called to order at 10:30 a.m. and a prayer was said. The Chairperson then called for introduction of those present before welcoming the petitioners to make their submissions.

MIN.NO.NA/F&NP/2021/361: CONFIRMATION OF MINUTES
Agenda deferred

MIN.NO.NA/F&NP/2021/362: MEETING WITH PETITIONERS TO CONSIDER THE PETITION REGARDING PAYMENT OF PENDING BILLS OWED TO SUPPLIERS OF THE NATIONAL YOUTH SERVICE FOR THE PERIOD 2013 TO 2018

The Chairperson of the NYS suppliers, Mr. Edward Mwangi was invited to make a submission on the Petition regarding pending bills owed by the National Youth Service for the period 2013 to 2018. He submitted THAT—

- (i) The suppliers had supplied various goods and services to the NYS between 2013 and 2018 with most of the suppliers being women, youth and persons with disabilities. NYS did not pay most of these suppliers citing irregularities in the procurement process. Given that most of these suppliers had taken credit facilities from commercial Banks, they were unable to repay the loans. As a result of the distress caused by the failure to honour the payment, approximately ten suppliers had lost their lives and some had developed illnesses due to stress;
- (ii) A Multi-Agency Verification Committee had been put in place to verify whether the pending bills were genuine and the Committee ascertained that the bills were genuine. The National Treasury released a total of KSh. 8 billion to settle the debts, but the genuine suppliers were not paid. As a result, NYS owes the suppliers a total of KSh. 15 billion;
- (iii) Further, a special fund of KSh. 14 billion was set aside in May 2021 to pay the genuine suppliers, but the payments were yet to be made. However, their payment was not factored in the budget for FY 2021/22; and
- (iv) The Multi-Agency Verification Committee had not been made available to the suppliers.

Committee's Concerns/observations

1. The Committee inquired whether some suppliers had been paid. The meeting was informed that KSh. 3.5 billion was disbursed and used to pay some suppliers though the payment was discriminatory.
2. The Committee further inquired on the beneficiaries of the KSh. 8 billion that was earmarked to pay the suppliers. The chairman stated that the funds had allegedly been misappropriated under "NYS 2 scandal".

3. The Committee raised concern on whether the list attached to the Petition comprised of all the suppliers owed by NYS. The meeting was informed that not all suppliers were on the list. However, if they get their details, they were ready and willing to include any genuine suppliers, including the small suppliers.
4. The Committee inquired on whether the amounts attached to the Petition included the interest on bank loans. He responded by stating that the amounts indicated were the actual amounts owed to them by NYS.

Resolution: The meeting resolved to invite the National Treasury and Planning, the Ministry of Public Service, Youth and Gender and the National Youth Service to discuss the matters raised by the Petitioners.

MIN.NO.NA/F&NP/2021/363:

MEETING WITH HON. FLORENCE MUTUA, MP TO CONSIDER THE PETITION REGARDING DEVOLUTION OF PENSION SERVICES

The Chairperson invited Hon. Mutua to present the Petition regarding decentralisation of pension services. She noted the need for Government to enhance services available in Huduma Centres so as to include pension services. She further noted that this would ensure that the pension claims are accessible to retirees across the country without having to travel to Nairobi. She informed the meeting of the need to automate claim forms for ease of tracking the payment status of their pension and avoid cases of misplaced files.

She recommended that the National Treasury ensure that pension departments in Government offices are well facilitated for timely pension processing for retirees.

Observations

1. The Committee noted that the prayers sought in the Petition, if addressed, would enhance the quality of services offered to pensioners and reduce the cumbersome need for travelling to Nairobi to follow up on a pension claim.
2. The Committee observed that in the 2021/22 Financial Year allocation, the Committee had allocated funds to the Pension Management Integrated System (PMIS), hence the need to follow up on its implementation status.
3. The Committee observed that an allocation should be made available in 2022/23 Financial Year to settle all outstanding pension dues.

MIN.NO.NA/F&NP/2021/364:

ADJOURNMENT/DATE OF NEXT MEETING

There being no other business to deliberate on, the meeting was adjourned at 12.15 p.m. The next meeting will be held on notice.

HON. GLADYS WANGA, CBS, MP
(CHAIRPERSON)

SIGNED..........DATE.....8/12/2021.....

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Hon. speaker
The may approve.
25/3/21



REPUBLIC OF KENYA
TWELFTH PARLIAMENT (FIFTH SESSION)

THE NATIONAL ASSEMBLY

Approved,
BNA
25/3/2021

PUBLIC PETITION

(No. 009 of 2021)

REGARDING DEVOLUTION OF PENSION SERVICES

I, the **UNDERSIGNED**, on behalf of aggrieved pensioners across the country;

DRAW the attention of the House to the following: -

1. **THAT**, the Pensions Department under the National Treasury is mandated by law to ensure timely and efficient grant of pensions, gratuities and other retirement benefits to eligible public service retirees in order to ensure a dignified and secure livelihood once they leave public service;
2. **THAT**, contrary to expectation, most senior citizens are forced to make multiple, non-ending and fruitless follow-up visits to Bima House upon retirement in a bid to secure pensions rightfully due to them after many years of serving the public;
3. **THAT**, there have been repeated cases of pensioners' files mysteriously disappearing, or being adjudged as incomplete ostensibly on account of lack of sufficient personnel to handle thousands of pensioners' files, resulting in inordinate delays in processing of pension payments;
4. **THAT**, these highly inconveniencing delays are a constant source of stress and depression for many pensioners who are compelled to spend their dwindling finances to travel between Nairobi and their far-flung home areas, with a number of them having to borrow transport money from friends because they no longer have any monthly income;
5. **THAT**, regrettably, some pensioners end up dying without having obtained their pensions for which they toiled for years, thereby leaving their next of kin in squalor, in addition to making them vulnerable to unscrupulous pension officers who contest their kinship status and delay the pension payments even further;
6. **THAT**, the Auditor-General's reports on the Pensions Department have repeatedly recommended the urgent reorganization of the Department in view of the perpetual inefficiencies, bottlenecks and unnecessary bureaucracies that continue to cause multiple inconveniencies, complaints and outcries from pensioners and their families;

PUBLIC PETITION
REGARDING DEVOLUTION OF PENSION SERVICES

7. **THAT**, given the aforementioned systemic inefficiencies bedeviling the Pensions Department, devolution of pension services to counties is the only practical approach to salvaging the management of pensions and safeguarding the welfare of pensioners;

8. **THAT**, efforts to have the matter resolved by the Pensions Department have not borne any fruit;

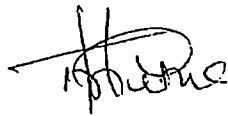
9. **AND THAT** the matters raised in this Petition are not pending in any court of law in Kenya.

NOW THEREFORE, your humble petitioners pray that the National Assembly through the Departmental Committee on Finance and National Planning:

- (i) investigates the matter of pending pension payments with a view of obtaining the status of pension payments at the Pensions Department;
- (ii) seeks detailed outline of measures being implemented by relevant authorities in dealing with perpetual delays in processing pensioners' dues;
- (iii) recommends the urgent devolving of pension services to counties and initiates this devolution of pension services through legislation, and
- (iv) makes any other recommendation that it deems fit in the circumstances of the Petition.

And your **PETITIONERS** will ever pray.

PRESENTED BY



HON. FLORENCE MUTUA, MP
MEMBER FOR BUSIA COUNTY

Date: 25.3.2021

The Clerk of the National Assembly,

Parliament Buildings,

P.O. Box 41842 – 00100,

NAIROBI.

Email: clerk@parliament.go.ke

RE: PETITION TO THE NATIONAL ASSEMBLY CONCERNING DEVOLUTION OF PENSION SERVICES TO THE COUNTIES

I, the undersigned, on behalf of the aggrieved Pensioners, draw the attention of the National Assembly to the following:

1. That, the Pensions Department under the National Treasury, is mandated to ensure the timely, efficient and effective payment of pensions, gratuity and other benefits to eligible retirees from the public service so that they enjoy a dignified and secure livelihood when they leave the service;
2. That, most senior citizens who served this government with diligence and honour make follow ups to the benefits for years on end;
3. That, many times files go 'missing', either deliberately or due to lack of enough human resource to handle the files, resulting into inordinate delays between the time the claims were received and time of actual payment;
4. That, this has caused unnecessary pecuniary challenges to the intended beneficiaries, who continue to spend a fortune travelling to Nairobi and back, pursuing what is not even guaranteed;
5. That, regrettably, some pensioners end up dying without getting these benefits which they worked for many years to save;
6. That, consequently, the next of kin and other dependents are thereby made to travel hundreds of kilometres from across the country to BIMA House in Nairobi to pursue the benefits, and always told to check again later, occasioning more strain on their meagre resources;
7. That the Auditor-General's reports on pensions Department have been recommending for the re-organization of the Department;

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

PETITION TO THE NATIONAL ASSEMBLY CONCERNING DEVOLUTION OF
PENSION SERVICES TO THE COUNTIES

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8. That, efforts to have the matter addressed by the relevant authorities have
been futile;

9. THAT, none of the matters raised in this Petition is pending in any Court of
law, Constitutional or other legal body.


WHEREFORE, your humble petitioner prays that the National Assembly, through the
Departmental Committee on Finance and Planning:-

1. Looks into the status of pending payments and the action being taken by the
relevant authorities to deal with the delays in payment of pensioners' dues;
2. Initiates a process of devolving Pension Services to the Counties through
legislation to save pensioners and their dependants time and resources;
3. Makes appropriate recommendations with respect to numerous cases of
"missing" files and the petitioners shall ever pray.

Dated this 11th day of March 2021.

Kennedy Epalat P. O. Box 30456 - 00100 ID No. 6652566

Sign



NAIROBI



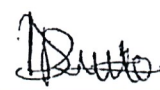


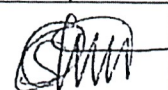
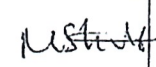
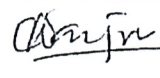
Email:kennedyepalat035@gmail.com

Counter-signed by

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Hon. Florence Mwikali Mutua, MP, Busia County

PETITION TO THE NATIONAL ASSEMBLY CONCERNING DEVOLUTION OF PENSION SERVICES TO THE COUNTIES

SIGNED ON BEHALF OF THE AFFECTED KENYANS BY:

N o.	NAME	COUNTY	ID. No.	PHONE No.	SIGNATURE
1	HASTON TALLAM	BARINGO	20677141	0720654012	
2	Rose Nekesa	West Pokot	24978559	0717414355	
3	DANIEL RUTO	RIMARAKWET	12911295	0721355012	
4	ALFRED KITI	KIIFI	10688670	0724855620	
5	DANIEL WAMBUA	MAKHEI	3036349	0713574540	
6	SAMUEL MURINA OPURU	BUSIA	4213388	0715632760	
7	CASPERY M SHILA MWARDING	TAITA TAVETA	21823193	0714947134	
8	CATHERINE WANGIKU	MURANGA	26367576	0728722260	
9	OSWAL DANIEL EDWIN	NAIROBI	22267324	072939572	