

Britam

With you every step of the way

NGAO UMBRELLA PENSION SCHEME

Secure your Employees' Retirement with
Britam Asset Managers

NSSF ACT 2013 Compliant

Regulated by the Retirement Benefits Authority

About Britam Holdings Plc

Britam Group Holdings PLC is a leading diversified financial services group listed on the Nairobi Securities Exchange and with a presence in seven countries in Africa namely; Kenya, Uganda, Tanzania, Rwanda, South Sudan, Mozambique and Malawi.

The group offers a wide range of financial solutions in Life Assurance, General Insurance, Health Insurance, Retirement Planning, Asset Management and Property. These solutions enable our customers to protect and grow their wealth and achieve their financial goals.

About Britam Asset Managers

Britam Asset Managers (Kenya) Ltd is a subsidiary of Britam Holdings PLC incorporated in 2004 to fill a gap in quality Fund Management and Investment Advisory services to individual and institutional investors.

The Company is licensed as a Fund Manager by both Capital Markets Authority and Retirement Benefits Authority in Kenya and has grown remarkably to become an influential player in the financial services sector.

Britam Asset Managers (Uganda) Ltd. was opened in 2017 in an effort to extend the company's asset management offering in the region.



What is the Britam Ngao Umbrella Pension Scheme?

An umbrella fund is a multi-employer retirement benefit scheme that pools funds from various employers/members and invests and manages the funds collectively for the benefit of the members. An umbrella fund has a set of standard rules which apply to all employers and members called the Trust Deed and Rules. An umbrella fund is registered by RBA and KRA just as any other retirement benefits scheme and has a defined contribution provident fund.

The Ngao Umbrella Pension Scheme is sponsored by Britam Asset Managers and was set up to shield companies and SMEs from the weighty requirement of registering a scheme. Instead, companies will now join the Umbrella Scheme which has already gone through the scheme registration process. The Scheme is a segregated pension fund that allows employers to adhere to its rules for provision of retirement benefits to its employees.

The Scheme is registered under the Retirement Benefits Authority (RBA) and is registered with KRA for tax exemption.

The Scheme is also approved to receive Tier 2 NSSF Contributions ref. [Certificate No. RBA/RSC/0219].



Why Invest in the Britam Ngao Umbrella Fund?

- **No set-up cost:** An employer joins an already established scheme. There are no joining fees.
- **Easy to join:** Simple application process whereby an employer fills in an application form, provides member details and sets up contributions.
- **Reduced exposure:** There are no burdensome fiduciary responsibilities assumed by the employer.
- **NSSF Tier 2 Contributions compliant:** The scheme is also registered by RBA to collect Tier 2 contributions.
- **Job specialization:** Employers are relieved from managing their retirement benefits allowing them to concentrate on their core business activities.
- **Affordable and professional services:** The scheme utilizes the services of highly professional service providers (i.e., administrator, custodian, trustee etc.) whose costs are shared across the Scheme.
- **Higher returns:** Pooling nature allows members to enjoy cost savings and economies of scale which translates into improved investment returns.
- **Enhanced staff loyalty and retention:** By offering employees essential retirement benefits, the employer retains productive and competent employees while offering a competitive package to attract new talent.

Who is this product ideal for?

- Any entity that is registered with at least one employee and does not wish to establish a standalone scheme.
- Smaller schemes who wish to delegate scheme management to professionals.
- Any employer who sponsors an existing scheme looking to enjoy economies of scale by pooling resources and other advantages.
- Employers who wish to contract out of NSSF.



Are you Compliant with the NSSF Act 2013?



Contributions

There are three levels of contributions.

TIER 1 CONTRIBUTIONS

These are contributions payable at 6% each Employer's Contribution (ER) and Employees Contribution (EE) on pensionable earnings up to the "Lower Earnings Limit" (LEL). Tier 1 contributions must always be paid to NSSF

TIER 2 CONTRIBUTIONS

These are contributions payable at 6% each Employer's Contribution (ER) and Employees Contribution (EE) on pensionable earnings between the "Lower Earnings Limit" (LEL) and the "Upper Earnings Limit"(UEL). Tier 2 contributions may be paid to NSSF, or they may be paid to a registered scheme under a contracting out arrangement e.g., the Ngao Umbrella Pension Scheme.

TIER 3 CONTRIBUTIONS

These are contributions payable on pensionable earnings above the UEL as well as contributions at rates above 6% on pensionable earnings below UEL. Tier 3 contributions will always be paid to a registered scheme e.g., the Ngao Umbrella Pension Scheme.

Note: Lower Earnings Limit (LEL) and Upper Earnings Limit (UEL) are being phased over 5 years according to the following table:

Year	Lower earnings limit (Kshs, monthly)	Upper earnings limit (Kshs, monthly)
1	6,000	50% of National Average Earnings
2	7,000	1 times National Average Earnings
3	8,000	2 times National Average Earnings
4	9,000	3 times National Average Earnings
Year 5 onwards	Statutory minimum monthly basic wage	4 times National Average Earnings

Note: The statutory minimum monthly basic wage is currently Kshs 12,000 per month. National Average Earnings for FY 2013 was gazetted as Kshs 36,000 per month.



Sign Up Process



Step 1

Application to RBA to Contract out Tier 2 Contributions

1. Employer executes Employer Application Form
2. Scheme prepares a Deed of Adherence (DOA)
3. Employer, Trustee and Sponsor (Britam) execute the Deed of Adherence
4. Filing Deed of Adherence with RBA
5. Members fill in Membership Joining Forms
6. Commencement of contributions



Step 2

Contracting Out Tier 2 Contributions

1. The employer's Board of Directors pass a resolution to contract out specifying;
 - a) the proposed date of contracting out [must be 60 days from the date of application]
 - b) the categories of employees covered by the contracting out and
 - c) the name of the contracted - out scheme [Ngao Umbrella Pension Scheme]
2. The employer must notify its intention to contract out in writing to the employees who will be affected.
3. The employer must give an undertaking in writing that it will comply with the obligations concerning minimum payments (Tier 2 contributions).
4. The employer must complete the C1 Form: Application for contracting out of NSSF Tier 2 Contributions.

The administrator shall collate these documents for filing with the Authority, following which a Contracting Out certificate is issued by the Authority specifying the effective date to start remitting Tier 2 NSSF contributions to the Ngao Umbrella Pension Scheme.



Step 3

Sign Up Process

1. The employer applies to RBA for approval to remit Tier 2 contributions to the Ngao Umbrella Pension Scheme. RBA sends a copy of its approval to NSSF so they will know that Tier 2 contributions have been contracted out.
2. Upon approval, the employer will remit all Tier 2 contributions to Ngao Umbrella Pension Scheme. If before receiving the contracting out approval some Tier 2 contributions had been remitted to NSSF the trustees of Ngao Umbrella Pension Scheme will request NSSF to forward those to Ngao Umbrella Pension Scheme, with the interest they have earned.

Interested?

Contact us via **0705 100 100** or **bampensiondepartment@britam.com**

Britam

With you every step of the way

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