

# APA Life Umbrella Retirement Fund

Your employees give you their best, so you should give them the best when they retire. Give them a happy secure retirement with **APA Life Umbrella Retirement Fund.**



**APA, Insuring Happiness**

**APA**  
INSURANCE

GENERAL • LIFE • HEALTH

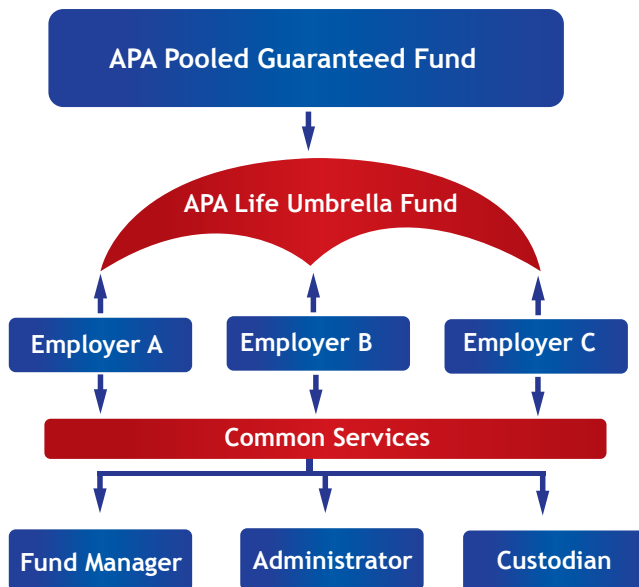
## What is APA Life Umbrella Retirement Fund?

The APA Life Umbrella Fund is a retirement vehicle that allows multiple and unrelated employers to fund their employees' retirement under a guaranteed pooled fund.

This fund is efficiently managed with certain duties centralised, thereby reducing the need for employers to become involved in the complex governance, trusteeship, investment, custody and administration issues of the fund.

All administration costs (e.g. Investments, Custody, Administration, Actuarial, legal, Auditing, Insurance, Communication) are borne by the sponsor APA Life thus increasing returns to members.

Returns to members are further enhanced through a larger and more diversified portfolio.



## Why Should an employer consider joining the fund?

- To attract motivate and retain skilled workers
- To enjoy tax benefits accruing from membership of the fund
- Economies of scale and lower service provider fees than segregated/stand alone funds
- Competitive investments returns through a larger and well diversified investment portfolio translating to better benefits for members
- Guarantees against impairment by investment loss on contributions and accumulated earnings

## What are the key benefits of the plan?

Investments Guarantees	Members contribution and accumulated earnings are guaranteed against impairment by investment loss
	Four percent (4%) guaranteed minimum investments return
	Bonus returns can be expected in addition to the 4% guarantee
	The investment risk of the members' savings is transferred to APA Life
	Returns are declared at a net rate (no additional charges incurred on net declarations)
Tax Benefits	<b>On Contributions</b>
	There is a tax relief for contributions of up to a maximum of Ksh. 20,000 per month.
	<b>On Pension</b>
	First KShs 300,000 p.a of pensions payment is tax free (KShs 25,000 per month is tax free)
	No taxation for members above 65 years of age

## Should a stand alone fund convert to an Umbrella fund?

Ultimately, this will depend on scheme size, member needs and which arrangement makes best use of the member's contributions. Bottom line is, there are going to be trade-offs. But some of the compelling reason to move from a stand alone to an Umbrella fund include;

- The responsibility and potential liability of the trustees transferred to an independent professional corporate trustee
- Cost of administration is significantly lowered by being spread over a large pool of funds
- Risk of investment transferred to the Umbrella fund from trustees/sponsors
- Allows for a management/member committee at employers level necessary to ensure employer is up to date with matters of the fund

## The Power of Compounding with APA Life

APA Life has averaged 10% net investment returns over the last 10 years. The competitive historical returns are primarily driven by our value investments that guarantee preservation of member's benefits.

At the 10% return, a savings of Ksh1,000 during a members active work life of 35 years compounded monthly will grow by more than eight (8) folds under the APA Life Umbrella Retirement Fund.

The table illustrates the projected benefits at retirement based on the guaranteed returns and average investments returns

Current Age	Years of Scheme Membership	Monthly Contribution	Accumulated Contributions at Retirement	APA Life Projected Average Return	Retirement Benefits at Guaranteed Returns (4%)	Retirement Benefits Average Returns(10%)
25	35	1,000	420,000	10.00%	916,776	3,828,276
25	35	2,000	840,000	10.00%	1,833,553	7,656,553
25	35	4,000	1,680,000	10.00%	3,667,106	15,313,106
25	35	5,000	2,100,000	10.00%	4,583,883	19,141,383
25	35	6,000	2,520,000	10.00%	6,417,436	22,969,660
25	35	8,000	3,360,000	10.00%	7,334,213	30,626,213
25	35	10,000	4,200,000	10.00%	9,167,767	38,282,767
25	35	20,000	8,400,000	10.00%	18,335,534	76,565,534

## Administration

### Reporting

All members will receive an annual benefit statement that updates on the accumulated value of their retirement savings. The statement will include the members opening balance, contributions for the year, investment returns and closing balance of the fund.

### Withdrawals

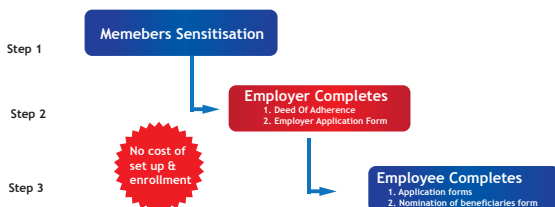
All withdrawals are processed as provided for in the Retirement Benefits Act. On exit from employment, current legislation allows a member to;

- Transfer accumulated benefits to an individual pension plan
- Transfer accumulated benefits to new employer's scheme
- Access his entire accumulated benefits and 50% of the employer's accumulated benefits (50% of employer's benefits are deferred until retirement)

### Governance

- A professional, independent corporate board of trustees ensures good governance in management of the Umbrella fund
- Employer's and members' interests are protected through compliance with all existing legislations with regards to the fund

### On-boarding process



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APA InsuranceKE APA Insurance APA Insurance Ltd

Regulated by the Insurance Regulatory Authority.