



Inspiring Innovation and Leadership

KARATINA UNIVERSITY
UNIVERSITY EXAMINATIONS
FIRST YEAR, SECOND SEMESTER EXAMINATION
2023/2024 ACADEMIC YEAR

FOR THE DEGREE OF:
BACHELOR OF HUMAN RESOURCE MANAGEMENT

COURSE CODE: BHR 123

COURSE TITLE: RETIREMENT AND PENSION SCHEMES

DATE: 7/5/2024

TIME: 9.00AM – 11.00AM

INSTRUCTION TO CANDIDATES

- SEE INSIDE

Answer Question one and any other three questions

QUESTION ONE-COMPULSORY

Read the following case study and answer the questions that follow

Question 1

RETIREMENT AT KAMWENI TEA FACTORY

Kamweni Tea Factory has 10 aged workers who are about to retire, 60 years of age and above, 5 of them are ready for retirement. Two of the workers are not sure if they should retire while two are worried about finances, while the last one is too attached to his job profession to retire. Retirement benefit plans are beneficial to you as a business owner, your business, and your employees. The employer, can help employees to prepare for their golden days by advising them on the right benefits plan and vendor while making sure that the options provided are cost-effective. In addition, the business and its employees gain a significant tax advantage from retirement plans. This guide gives an insight into pension and retirement plans in Kenya and benefits to employees upon termination or resignation. The government of Kenya has undertaken several measures to safeguard the retirement and pension schemes. These workers need to ask themselves a list of questions to determine whether they are ready for retirement.

- (a) As a human resource specialist in this area, discuss with them five measures they should consider in readiness for retirement. **(10 Marks)**
- (b) Explain to them five areas of retirement planning showing its benefits. **(10 Marks)**
- (c) Elaborate on five reasons why the government should be concerned about its citizens saving for retirement **(5 Marks)**

Question 2

- (a). As an expert in human resource management explain five benefits of joining a pension scheme **(10 Marks)**
- (b) Examine five areas of core mandate of Retirement Benefits Authority of Kenya **(5 Marks)**

Question 3

- a) Discuss four of Pension plans available in Kenya **(8Marks)**
- b) Knowledge /information is power. Discuss this statement in line with the awareness creation on retirement savings and pension schemes by the Kenyan Government **(7 marks)**

Question 4

- a) The manager of Wanafunzi Co.Ltd. sought your services as a consultant on various issues related to pension schemes management. The government of Kenya has undertaken to safeguard the retirement and pension schemes by establishing Retirement Benefits Authority. Discuss five roles this authority undertakes **(10 marks)**
- b) Explain five benefits of defined pensions scheme **(5 Marks)**

Question 5

- a) Discuss five stages of retirement planning **(10 Marks)**
- b) Explain five levels of retirement vested benefits provided under private plans **(5 Marks)**

Question 6

- a) Explain five ways in which pension funds impact on the economy of Kenya **(10 Marks)**
- b) Explore five features of occupational pensions scheme **(5 Marks)**