

Gencap Individual Pension Plan - Frequently Asked Questions

1. What is the Gencap Individual Pension Plan?

The GenCap Individual Pension Plan is a retirement product that enables individuals to save for their retirement by making regular contributions to the scheme during their working years and growing their retirement savings.

2. Who can benefit from the Gencap Individual Pension Plan?

Gencap Individual Pension Plan can benefit the self-employed or employees in organizations that do not operate occupational pension schemes with an opportunity to save regularly for their retirement and to take advantage of the income tax relief available as members of a retirement scheme.

3. What are the key features of the Gencap Individual Pension Plan?

- The scheme has a low minimum contribution of KES 1,000 per month.
- Upon retirement, the member has access their accumulated benefits as a lump sum.
- The regularity and amount of contribution are set by the member.

4. What are the key benefits of the Gencap Individual Pension Plan?

i) Benefit from tax-deductible contributions: The monthly contribution to the pension plan is tax deductible at source, i.e. your contribution will be deducted from your gross pay before your income tax (PAYE) is computed. The current maximum tax-deductible contribution is KES 20,000 per month or a third of monthly income, whichever is lower.

ii) Tax-exempt investment income: The interest earned on your savings is exempted from withholding tax which is otherwise typically charged on interest from other forms of investments.

iii) Compound interest: Compound interest accrues on the contributions received, leading to a faster growth of your savings since it's calculated based on both the initial principal and the accumulated interest.

iv) Access to mortgage: Members can assign up to 60% of their accumulated retirement savings towards securing a mortgage facility.

5. What happens if I cannot make a contribution for a period of time?

With Gencap Individual Pension Plan, you benefit from flexibility. You can vary the contribution made from time to time subject to a minimum of KES 1,000 for every payment. You can also vary the frequency of making contributions to suit your financial circumstances.

6. How safe is my money?

i) Gencap Individual Pension Plan is regulated by the Retirement Benefits Authority (RBA), giving security and oversight to members' benefits.

ii) In the event of death, the accumulated fund is payable as a lump sum to the listed next of kin.

7. Am I too young or too old to start saving with Gencap Individual Pension Plan?

- Are you too young? No, the scheme is open to anyone above the age of 18. And the sooner you start saving for your retirement, no matter how humble the initial contributions are, the higher the returns you will receive. The longer your investment horizon, the more the bulk of your retirement funds can be grown through compound interest.
- Are you too old? It's never too late to save for your retirement. The best time might have been when you were younger, but the next best time is NOW. If your employer offers to match a percentage of what you contribute, take advantage of it as much as you can. Take some time to look at your current budget, as well as your future goals to decide how much you may need to invest in a retirement plan.

8. How can I get started?

To join the Gencap Individual Pension Plan, you need;

- A completed Application Form
- Copy of National ID or Passport
- Copy of PIN Certificate
- Passport Sized Photo
- Initial Contribution

9. How can I send in my contribution?

You can send money to your account via bank transfer, Pesalink or M-PESA Paybill. Members receive monthly statements as an update on their savings status.

Bank Transfer/Pesalink

Account Name: Gencap Individual Pension Plan

Account Number: 0692379831001

Bank: SBM Bank

Bank Branch: Lenana Road

Swift Code: SBMKKENAXX

Indicate member number in the narrative

M-PESA Paybill

Business No: 7139239

Account No: Your member number