

January 31st 2024

FOR IMMEDIATE RELEASE

“CYTONN ASSET MANAGERS GRANTED APPROVAL BY RBA TO MANAGE TIER II NSSF CONTRIBUTIONS”

NAIROBI, KENYA,

We are pleased to announce that we have secured approval from the Retirement Benefits Authority (RBA) to oversee second-tier National Social Security Fund (NSSF) contributions for employers opting out of the State pension fund. This follows the regulatory nod granted to Cytonn Asset Managers on 29th January 2024, positioning us as a key player in managing Tier II contributions alongside other industry leaders.

According to the NSSF Act No. 45 of 2023 which took effect from February 2023, 12% of an employee’s pensionable wages is to be contributed to the fund with both the employer and the employee contributing 6% each subject to an upper limit of Kshs 2,160 for employees earning above Kshs 18,000. Contributions from earnings that fall within the Lower Earnings Limit of Kshs 6,000, up to a maximum of Kshs 720, will be allocated to an account referred to as Tier I. Any remaining contributions from earnings that range between the Lower Earnings Limit and the Upper Earnings Limit of Kshs 18,000, with a cap at Kshs 1,440, will be allocated to an account referred to as Tier II. Under this arrangement, all Tier I contributions have to be remitted directly to NSSF, however, employees can opt to remit their Tier II contributions to the State pension fund or channel their Tier II contributions to a private fund manager for better returns and transparency.

Cytonn Asset Managers will manage these contributions through two schemes: Cytonn Umbrella Retirement Benefits Scheme and the Cytonn Personal Retirement Benefits Scheme. This approval comes at a crucial time for employers and small and medium enterprises (SMEs) as they navigate the pension contributions landscape. We recognize the unique challenges faced by SMEs and aim to be a strategic partner in optimizing pension contributions for their employees. Our funds have a proven track record of delivering high investment returns through our efficient and transparent processes.

Employers interested in opting out of Tier II contributions from NSSF must submit a written request to the Authority at least 60 days before opting out. In line with this, Cytonn Asset Managers will facilitate the contracting-out process for employers by filing the requisite opt-out documentation with the RBA on behalf of our clients. This streamlined approach aims to simplify procedures for employers navigating the complexities of contracting out from the State pension fund.

Expressing enthusiasm about this approval, Grace Weru, the Principal Officer at Cytonn Asset Managers Ltd, stated, "We are pleased to receive this approval from the regulator, and eagerly anticipate collaborating with employers, small and medium enterprises and all clients that seek to direct Tier II contributions to our Pension Schemes. Our goal is to provide them with higher investment returns and the efficiency needed to manage their members’ savings."

The Fund Manager remains committed to providing innovative solutions and reinforcing its position as a trusted partner for clients with their pension contributions.

Notes to the Editor:

Cytonn Asset Managers Ltd (CAML) is the regulated affiliate of Cytonn Investments Management Plc. CAML is licensed by the Capital Markets Authority and the Retirement Benefits Authority and its key focus is on Pension Fund management and Collective Investments Schemes.

Cytonn Investments is an alternative investment manager, with a captive real estate development capability. Cytonn has a unique strategy of coupling two compelling demand areas - the lack of high yielding investment products and the lack of institutional grade real estate. We distribute high yielding instruments to attract funding from investors, and we deploy that funding to investment grade, well planned and comprehensive real estate developments that are largely pre-sold.

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