

ARM Cement unveils new pension scheme for employees

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Mr Adil Suleman, Senior Consultant at Alexander Forbes (left) and ARM Cement HR Manager, Stephen Kamau (right) during the unveiling of the new pension scheme for ARM Cement employees.

ARM Cement has joined a growing number of Kenyan employers who are now providing retirement benefits for their employees. This came to pass with the announcement of a new pension plan by Mr. Pradeep Paunarana, the company's CEO.

Mr Paunarana, who is also the incoming chairman of the Kenya Association of Manufacturers (KAM), said that the new NSSF Act of 2013 motivated ARM cement to formalise its pension agreements. The new NSSF Act requires all employers and employees to make statutory contributions at the rates of 12% of earnings, subject to the ceilings, to NSSF.

This move by ARM is a welcome reprieve to the company's 2000+ employees given the financial situation in Kenya. Statistics show that of the 12m plus Kenyans in some form of employment (formal, informal, self-

employed), only 1.5m currently contribute to the NSSF. Of these, 1.5m only about 400,000 benefit from additional pension provision from their employers. Employers who participate in pension schemes may opt out of making Tier II Contributions to the NSSF and instead pay these to their own arrangements.

Speaking in this regard Mr. Paunrana reiterated, “Facilitating the provision and access to additional benefits for our staff ensures motivation which in turn positively affects their work output. For ARM Cement, however this move goes beyond focusing on the bottom-line to capture our commitment to continually improve the lives of our employees and in essence raise the standards of living for workers in this country.

ARM Cement Limited has partnered with Alexander Forbes, a leading pensions and employee benefits firm, as its pension provider. In welcoming them as a new employer in the firm’s Ksh 13bn multi-employer umbrella fund, Mr Adil Suleman, Senior Consultant at Alexander Forbes, lauded ARM Cement’s move and urged other employers to also consider making pensions as an important part of their compensation package to staff.