

APTAK PRESENTATION

SIMULATION OF A CONTRIBUTORY SCHEME

PRESENTED BY:

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PRESIDENT APTAK

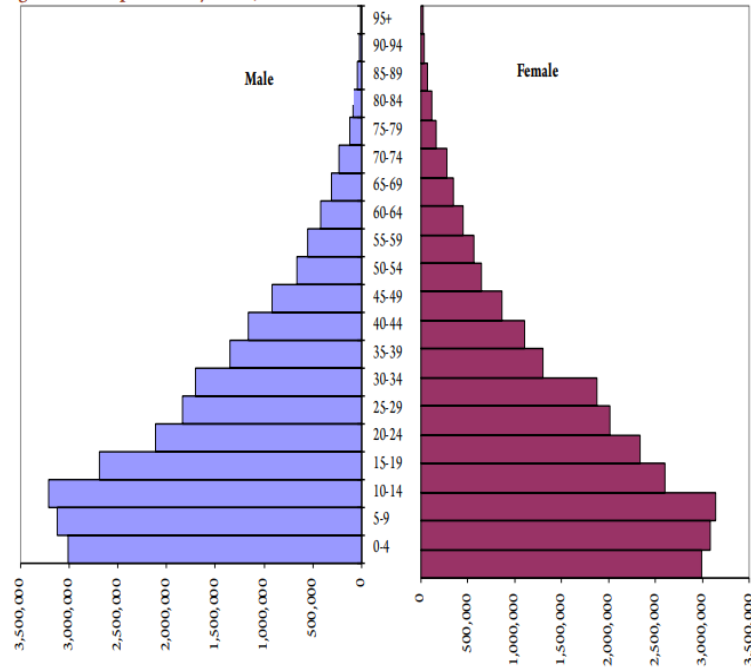
MAY 2020

KEY STATISTICS

1. Total population 47.6 m
2. Approximately 53% between 20 yrs and 60 yrs

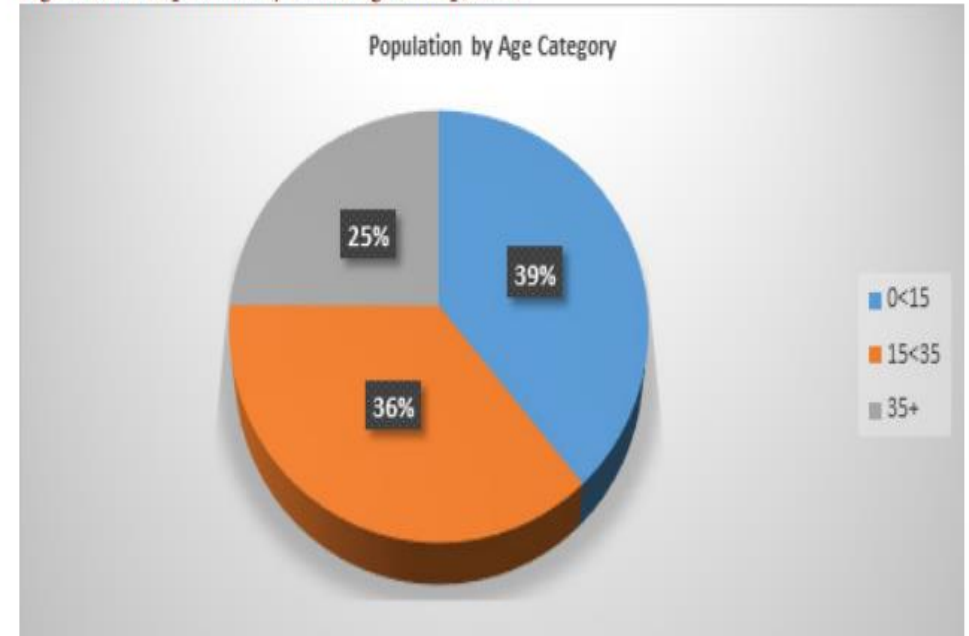
Economic Survey 2020

Figure 21.2: Population Pyramid, 2019



Population of Selected Age Groups by Residence 21.6. Figure 21.3 and 21.4 show that 43 per cent of the Kenya's population living in urban and 57 per cent living in rural was youthful (persons aged 15 to 34 years). About three quarters, 76 per cent of the urban population constituted persons aged less than 35 years. In rural areas, male youth population is higher than that of females, at 43 per cent and 41 per cent, respectively.

Figure 21.7: Population by Broad Age Group, 2019



Elderly population 21.10. Conventionally, “elderly” is defined as a chronological age of 65 years old or older. The elderly population in Kenya has been increasing over the years. The proportion of the elderly population has increased from 2.8 per cent in 1989 to 3.9 per cent in 2019 as presented in figure 21.8.

KEY STATISTICS

Economic Survey 2020

Minimum Wages and Collective Bargaining Agreements

3.19. Table 3.12 presents gazetted monthly minimum wages in respect of the agricultural industry for the last five years. In 2019, there were no new minimum wages gazetted.

Table 3.12: Gazetted Monthly Basic Minimum Wages for Agricultural Industry, 2015 – 2019

	KSh				
Type of Employee	2015	2016	2017	2018	2019
Unskilled employees	5,437	5,437	6,416	6,736	6,736
Stockman, Herdsman and Watchman... ..	6,279	6,279	7,409	7,779	7,779
Skilled And Semi-Skilled Employees:					
House servant or cook... ..	6,207	6,207	7,224	7,585	7,585
Farm foreman... ..	9,808	9,808	11,574	12,152	12,152
Farm clerk... ..	9,808	9,808	11,574	12,152	12,152
Section foreman... ..	6,350	6,350	7,492	7,867	7,867
Farm artisan... ..	6,498	6,498	7,668	8,051	8,051
Tractor driver... ..	6,891	6,891	8,131	8,538	8,538
Combine harvester driver... ..	7,592	7,592	8,958	9,406	9,406
Lorry driver or car driver... ..	7,967	7,967	9,401	9,871	9,871
AVERAGE	7,284	7,284	8,585	9,014	9,014

Source: Ministry of Labour and Social Protection

3.20. As shown in Table 3.13 the average gazette monthly basic minimum wages in urban areas were not revised in 2019. The average monthly basic minimum wages for Nairobi, Mombasa and Kisumu cities were higher than in other county headquarters and in all other towns.

- Gross National Income KSh 9,544.0 billion in 2019.
- Gross National Disposable Income (GNDI) at KSh 10,082.9 billion in 2019.
- The GDP per capita increased from KSh 191,789 in 2018 to KSh 204,783 2019

The agricultural sector has the highest employment rates this lets assume an average income **KES 9,014 per month**

SOURCE: ECONOMIC SURVEY 2020



Working Population

- 20 years to 60 years

53% OF POPULATION (47.6)
25.22 MILLION

Average income

- KES 9,041 PER MONTH

$25.22 \times 9,041 =$
KES 228.086 BILLION PER MONTH

OR

KES 2.737 TRILLION PER YEAR

Contribution Rate

- 6%

KES 228.086 Bn @ 6% CONTRIBUTION
= KES 13.685 BILLION PER MONTH

OR

KES 164.2 BILLION PER YEAR

**WITH GOVERNMENT MATCHING CONTRIBUTION AT 6% RATE A TOTAL OF
KES 328.44 BILLION PER YEAR IS COLLECTED**



1. Total of KES 328.44.8 BILLION per year is collected from both citizens and government into the fund. Assuming an average income of KES 9,041 for working population of 20yrs – 60yrs
2. Application of a conservative risk free investment return of 7.3% compounded over a 3yr period gives a fund value of KES 1.464 TRILLION

PERIOD	OPENING BALANCE	CONTRIBUTION	INTEREST (7.3%)	CLOSING BALANCE
1		328,444.34	23976.44	352,420.78
2	352,420.78	328,444.34	25726.72	706,591.84
3	1,059,012.61	328,444.34	77307.92	1,464,764.88

3. Application of say 40% on the contribution to Housing Savings plan under the above assumptions give KES 140.96 billion in yr1 or KES 585.90 billion in 3 years

