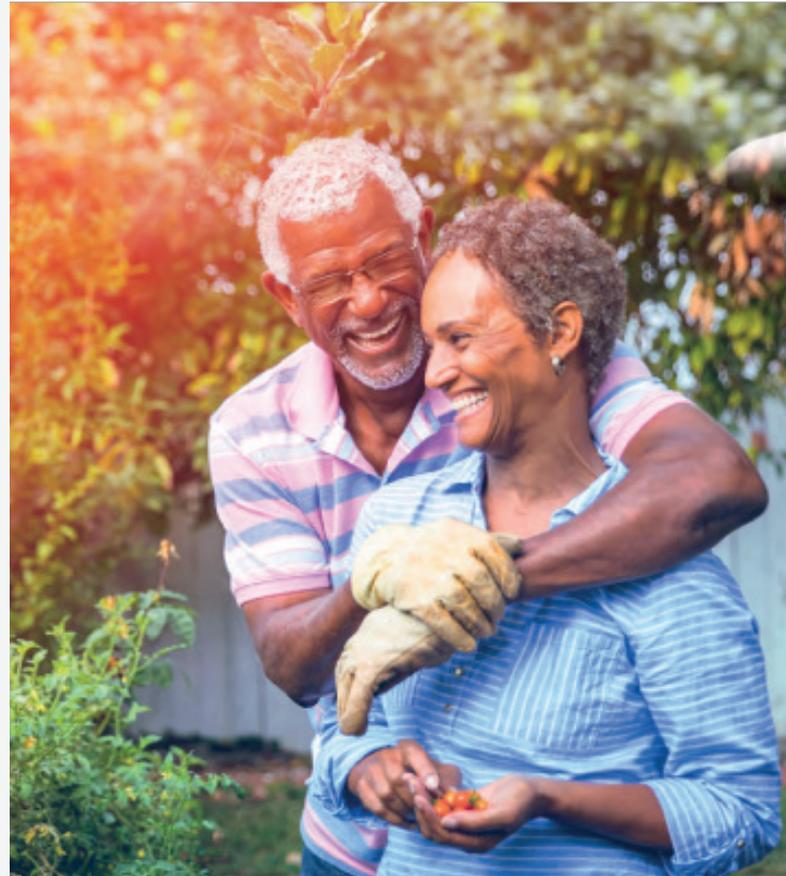


A future to look forward to



Secure Tomorrow

Minet

Underwritten by  **Sanlam**

Introduction

Many employers provide a comprehensive medical insurance cover to their employees while they are employed. However, such cover usually ceases upon retirement. Retirees therefore suffer a double blow:

- Cessation of medical cover at a time when they are most likely to fall ill. For instance, in Kenya, it is estimated that 35% of inpatients are people over the age of 60, although this group makes up only 4% of the country's total population.
- Increased medical costs, at a time when their income is typically reduced.

In addition, the incidence rates for most chronic illnesses including various cancers, diabetes, renal failure and cardiac

issues tend to increase with age. These factors usually result in relatively expensive medical insurance premiums for the elderly, resulting in most retirees lacking a medical cover.

Given the above, most retirees resort to “Out of Pocket (OOP)” payment for incurred medical expenses. This has generally been a big contributor to poverty in the country as it is estimated that 38% of Kenyans who finance their medical expenses through OOP have to either sell off their assets or borrow the funds .

Our Post-Retirement Medical Fund (RetireMed) is designed to assist employees save for their medical expenses in retirement.



Contributions

RetireMed is set up within the Minet Umbrella Pension Scheme. This ensures that the PRMF is fully regulated by the Retirement Benefits Authority. In addition, contributions into the PRMF are eligible for applicable tax reliefs.

Contributions into the PRMF can be made by employees only, the employer only, or by both the employer and the employees. The contributions can target a specific level of medical cover at

retirement. Members can choose various outpatient and inpatient covers that best meets their needs, and we will be able to advise on the required regular contributions.

In addition, upon retirement, members can transfer up to 10% of their accumulated pension benefits to our PRMF, to enable them purchase their required level of cover.



Benefits of RetireMed

Members will be provided with various options at retirement to access their medical benefits. These options include :-



Medical annuity

The accumulated funds at retirement will be used to purchase an annuity from an insurance company. The annuity proceeds are then used to make payments during the life of the member.

The regular payments received from the life annuity or the drawdown fund would then be utilized to purchase medical insurance cover during retirement. In case a provider is not available, the payments would then be used to directly cater for any medical expenses that the member would incur during retirement.

RetireMed does not however guarantee any medical rates during retirement, these would only be known when a member retires and subsequently during retirement depending on prevailing medical rates.



Medical drawdown fund

At retirement, a member's accumulated funds are transferred to a medical drawdown fund. Payments would then be made from this fund until it is exhausted or the member dies.

Investments

Contributions into the RetireMed Fund will be invested separately from the assets of the Umbrella scheme. The investment strategy will be relatively lower risk, to ensure that the RetireMed contributions are not exposed to a lot of volatility in the investment markets.

Frequently Asked Questions

Q: Who is eligible for the Retiremed Product ?

A: Retiremed is registered under the Minet Umbrella Pension Scheme. The scheme administers both individuals and group schemes . The entry ages are between 18 years and 59 years

Q: Do my contributions earn any interest ?

A: Yes ,the contributions are invested and start earning interest from the day the contributions are received . Your total accumulated fund is made up of your contributions and the investment returns. Retiremed has a minimum guaranteed return of 5%

Q: How do I know how much I have contributed to the scheme and the interest I have earned?

A: At the end of every year, you will receive a member statement reflecting the contributions made by you (the member) , the contributions made by your employer (if any) and the interest earned from these contributions.

Q: What happens if I die or become totally unable to work?

A: The total fund made up of contributions and investment returns is paid to your nominated beneficiary immediately upon death. The total fund is also paid to you or your beneficiary in case you become ill and completely unable to work.

Q: What Happens if I lose my job or change jobs?

A: The Retiremed savings belongs to you and is not affected by job changes. If your current employer is contributing to your plan, you need to negotiate with your future employer about contributing to your plan in case they do not have a post-retirement medical scheme.

Disclaimer

- The cost of medical will be based on the prevailing market rates at retirement
- This product offers no guarantees that a provider of medical insurance may not be available after retirement. Options for members will be to access their savings to cater for their medical costs.



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