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Experiences of Retirees Under Pension Scheme Coverage In Kenya: The Case For Pension Reforms

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Abstract: Retirement is a phase of life following cessation of regular work entailing significant reduction one's engagement with income-related pursuits. For persons who in their working life joined or registered in a pension scheme, retirement holds a promise of obtaining pension benefits that accrue over the working years. In Kenya, there has been an increase in the number of retirees exiting the labour force with terminal retirement benefits even though, pension scheme coverage of workers is still low estimated at less than 20% in the country. Retirement benefits in Kenya are paid in four common modes: total lumpsum, partial lumpsum, monthly pension, and annuities. Although studies have been conducted to examine patterns of enrolment in schemes in Kenya and income security pensions, there is dearth of knowledge on how pensioners experience retirement in Kenya and if these significantly differ from those of non-pensioners. Thus, the objectives of the study were: to examine the major social, economic and demographic characteristics of the pensioners; explore the experiences of retirees receiving pension benefits; and recommend ways of dealing with the negative experiences and challenges faced by retirees in Kenya. The paper however focus on experiences of retirement . A sample of 978 persons aged 50 years and older were recruited from 9 regions and 18 counties of Kenya. Data were collected using a survey questionnaire, focus group discussion and key informants interviews.

Keywords: Retirement, pension, individual and psychological experiences, family-related experiences, economic-related experiences.

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I. INTRODUCTION

Retirement phase, defined as the period immediately that follows the exit from active work life is one of the key transitions expected in later life (Kee-Lee & Chow, 2005). Although retirement is generally characterized by cessation of active employment, there is great global variation regarding the exact time when people completely withdraw from workforce. For example in Kenya, civil servants were previously retiring at the age of 55 which was raised to 60 in 2009 (RBA, 2009) leading in adjustment of retirement age for private sector workers who currently retire at the age of 60 years. However, a few careers and occupations in Kenya have lower or higher retirement age. The military in Kenya has maintained the traditional retirement age which is pegged to ranks within the organization. Other security agencies enjoy retirement at younger age of between 40 and 50 years while occupations such as universities, government parastatals and judges enjoy a higher retirement age of 70 years or older (RBA, 2009). Irrespective of the set retirement age, over the course of life, there are a number of social and economic contingencies that are likely to occur in one's career, which become more pronounced in later life. Such include exiting labour force due to old age, sickness, workplace injuries, or disability, all of which affect all the retirees. Retirement also heralds a phase in life where economic productivity and output are greatly reduced and also the opportunities for income diversification decline (Kakwani & Son, 2006). This is especially so because people upon retirement, cease to receive a regular salary (often the mainstay for most) and begin to rely on savings and investment accumulated while in employment. The need for regular payment of pensions is a key area of concern for pensioners and governments throughout the world strive to put measures to ensure availability of pension benefits for workers. Although the evidence shows that retirees who receive pensions may be somewhat income secure, this paper seeks to demonstrate that their experiences may not be consistent with this assumption.

1.1 Advent of retirement in Africa

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Modern retirement in Kenya and elsewhere in African was introduced by colonial governments in the early to mid-twentieth century (Ghai, 2003; Midgley, 1984). As such, retirement in Kenya was introduced by the British colonial government as a part of the Western economic system that was introduced in Africa (Obudo, 2005). Retirement systems with mandatory retirement age were introduced as a way of reducing the size of the large and unsustainable public service sector developed in response to the IMF/World Bank structural adjustment programmes and economic assistance to African countries (Omara, 2005; World Bank, 2012). Retirement and pension systems in African countries have initiated major reforms to improve coverage of retirement (Raichura, 2008; World Bank, 2012). However, some are still primarily focused on retirement benefits for the workers as opposed to a safety net for an array of social contingencies likely to occur in the course of working lives (Dixon, 1993; Steward & Yermo, 2009). This thus implies that the economic, social, and political structures in developing countries to a greater extent influence the type of retirement systems and the level of benefits provided (Dixon, 1993; Ghai, 2003; Justino, 2003; National Research Council, 2006).Retirement systems are not limited to industrialized countries only. Such systems also exist in developing countries including Kenya, but the coverage is much more limited. More formal sector workers enjoy coverage as opposed to informal sector workers with coverage benefits being more stable among those in the public sectors. With regard to other systems that augment retirement schemes, in the year 1999, 166 of 172 member countries of the United Nations including Kenya had employment injury insurance and old age, disability or survivors' benefits for some segments of their populations (Overbye, 2005). A major concern has been the limited coverage and low amount of benefits paid to the insured workers and their households Raichura, 2008). Most of pension schemes in Kenya are structured like compulsory savings plans where covered employees and their employers pay regular contributions to a central, publicly supervised fund. This type of retirement plan is referred to as national provident fund, which are common in developing countries. Provident fund description by Dixon (1993) is in congruence with compulsory savings plan provided in Kenya through NSSF. Contributions are credited to an individual account for each employee and interests accrue from the balance in the account. In the eventuality of retirement, disability, or death, a lumpsum amount is paid as benefits (Dixon, 1993). This approach of providing social security suffers major weakness as there is no risk pooling meaning that resources transfers between individual members is not allowed. In the study by Dixon (1993), Kenya was one of the countries found to have deficiency in social security coverage with evidence pointing to the need for serious regulation. Kenya is not unique in this case as other studies provide a vast body of evidence showing authentic concerns of inadequate social security coverage all over the world (Ginneken, 1999; Overbye, 2005). Moreover, the Kenyan pension scheme has been viewed as unsustainable and inadequate. It is however hoped that the 2013 reforms to the NSSF will make the fund operate like a pay-as-you-go system as provided in NSSF Act 2013 making it more sustainable in the long run.

1.2 Pension regulation in Kenya

Although the Pensions Act had provided a framework for civil service pensions, the private pensions were unregulated prior to the inception of the Retirement Benefits Authority (RBA) in 1997. As Kenya's first private pension benefits regulator, considerable progress has been made in reforming the retirement benefits sector. Prior to the establishment of RBA as Nyayieka (2007) points out, there were inherent weaknesses in the provision of retirement benefits, which included: individual retirement plans riddled with financial scams while occupational plans were not guided by any legal and regulatory frameworks. Investment of National Social Security Funds (NSSF) funds was questionable, making the contributors to lose trust with the fund managers. As a consequence, the coverage shrunk leading to a reduced number of workers who actively contributed to the NSSF due to lack of proper management of pension savings in mid-90s. Establishment of the RBA has however reversed the trend in the last two decades. Most of the reforms center on dematerialization of securities, automated trading, the introduction of risk rating agencies and the introduction of new performance measurement indices (Raichura, 2008). The reforms .have enhanced and improved performance in the sector (RBA, 2007). It is not clear how these reforms have impacted the life of retirees and if they in any way inform their experiences once they exit active employment and enter pensionable status.

1.3 Pension coverage in Kenya

Legal and policy reforms in the Kenyan pension system have articulated groups and categories of formal and informal sector workers to be covered, and the legal and policy measures to be adopted to ensure such workers are indeed included (Kamuzora, 1999). Government's role in enhancing private initiatives for mobilizing and organizing workers for social security coverage are clearly described in the reforms. A set of policies specifically targeted at insuring informal sector workers, who have lower earnings to protect such workers from variability in incomes also exist. The pension regulator, RBA, has the mandate to oversee such reforms and to protect all categories of workers irrespective of which scheme they are saving with.

The World Bank Institute [WBI] has advocated for the introduction of a fourth pillar in Kenya's social security (World Bank Institute, 2006). This extension is more for practical than overhauling the Kenyan system into a more egalitarian system in extending coverage. The proposed reforms fall into four categories: repealing the current legislative structures, parametric reforms, reforming the funding mechanisms, and subjecting the various retirement plans to statutory and regulatory mechanism. However, caution should be exercised in converting NSSF into a comprehensive social security system because it is understood that economic and political capacity to handle such transformation is limited in Kenya (National Research Council, 2006; Raichura, 2008)urrently in Kenya, only 15 % of the entire work force is covered by a pension plan (RBA, 2007). This coverage is split in different proportions between the various pillars of retirement (Nyayieka, 2007). Low and inadequate benefits, and coverage limited to urban workers and government workers is characteristic of many developing nations. Old age benefits and worker injury compensation are the most common type of benefits in these countries and this is the case for Kenya as well (Ghai, 2003). Other major impediments with the Kenyan retirement system as common with other developing countries range from those particular to the beneficiaries themselves to those related to the structural/organization problems. Even after retirement, a number of beneficiaries are entrenched in poverty.Eelier on, reasons that were blamed for the above scenario are bottlenecks associated with accessing benefits at the National Social Security Fund (NSSF) and Civil Service pension benefits on one hand, and lack of awareness of existing benefits accrued to beneficiaries on the other hand (Kumba, 2008). Institutionalized corruption has also been identified as a great impediment in processing pension benefits especially for NSSF and civil servants. Misuse of pension fund assets and unsafe investments by the fund managers has been rampant (National Research Council, 2006). The system also excludes agricultural workers who in Kenya comprise more than one third of the labour force who are predominantly based in the rural areas (Gillion, *et al*., 2000; Kakwani & Son, 2006; Overbye, 2005).The Kenyan retirement pension system has not been systematically examined from the retirees' perspectives (RBA 2012, 2014). Studies have however focused on assessing the adequacy of retirement income, examining the income replacement ratio (retirement income expressed as a percentage of pre-retirement income), the proportion of pre-retirement income needed to maintain the standard of living in retirement among others. In 2005, the replacement rate for pre-retirement income for Kenya retirees was between 20 to 40 percent as opposed to the minimum of 40 percent recommended by ILO (Mwadilo, 2006). The benefits are seldom indexed to inflation to reflect the current cost of living which also accounts for low level of benefits (National Research Council, 2006). For instance, available data showed that annual average inflation rate increased from 9.8 per cent in December 2007 to 26.2 per cent in December 2008 (Central Bank of Kenya [CBK], 2008). Such occurrences erode the purchasing power not only for consumers in the market with considerable wages but also pension for retirees who live on fixed incomes. A replacement ratio of 65 percent has been deemed adequate, while some people may require a replacement ratio of over 90 percent to maintain their desired standard of living (Purcell, 2012). Earlier, Oyuke, (2010) suggests that higher replacement rates of between 70 to 90 percent of the pre-retirement income are needed to sustain pensioners' standards of living prior to exiting the labor force. Other existing studies on retirement in Kenya have explored among other areas such as retirement preparation (Thuku, 2013); adjustment in retirement (Muthondeki, Sirera & Mwenje, 2014); reforms of the pensions benefits (Raichura, 2008), perception of retirement (Githui, 2012), and attitudes towards retirement (Wata, Kamau & Bett, 2015). The study attempted to explore the life and experiences of and challenges faced by retirees in Kenya. iven that the Kenyan income replacement ratio (IRR) at retirement falls far below the ILO recommended standard of 40 percent (RBA, 2008), the retirees in Kenya are likely to live in poverty and deprivation even while receiving a pension. This is complicated by the fact that older persons have a wide array of needs, including poor health, poor housing, low alternative earning capacity implying that they have low disposable income as well as exclusion in mainstream economic activities. This makes them even more dependent and vulnerable to economic, social, and health risks. This study thus set to interrogate the experiences of retirees who were (or had received a pension) against the backdrop of pension reforms in Kenya that have been ongoing in the last 15 years. The study objectives were: a) to identify the socio-economic experiences of retirees; and b) recommend ways of dealing with the challenges faced by retirees in Kenya which ought to be addressed through pension policy. .

II. THEORETICAL FRAMEWORK

Political economy (PE) theorists highlight the structural influences on ageing and emphasize the relevance of social struggles embedded in power relationships for understanding how the aged are defined and treated. The political economy approach understands the nature of old age to be socially constructed and to be created through power struggles. Proponents of the political economy approach share with modernization theorists an interest in explaining the status of the aged. They differ in emphasizing how, in a capitalistic economy, political and economic forces distribute societal resources in ways that maintain or increase inequality on the basis of class, race/ethnicity, age and gender. The orientation in political economic of aging offers a theoretical and empirical determinants of the experience of aging and old age and public policy interventions for individual issues (societal responses to individual programs).The core premise of political economy theory is that public policies for income, health, and social services for the aged are an outcome of the social struggles and dominant power struggles of any given time. Sometimes social programs that appear to benefit the people in reality benefit business interests more, an outcome that occurs because business interests often exert undue influence in shaping the policy agenda. The application of PE theory in this study attempts to explain the positive and negative outcomes of public policy on retirement in Kenya on the current cohort of retirees.

III. Study Methodology

The study employed a mixed-methods approach mainly the cross-sectional and exploratory survey designs to collect both quantitative and qualitative data. An exploratory survey questionnaire and focus group discussions were used to gather views and experiences of retirees. The study was national by nature and targeted pensioners who had retired within the last 15 years by 2015. The respondents were also drawn from regulators of pension schemes (RBA), managers and pension administrators of schemes. The study had aimed to investigate various aspects of retirement and not just experiences of retirement which is the focus of this paper. The sample was drawn from 18 counties out of 47 counties that were systematically randomly selected to ensure all former 8 administrative regions of Kenya were represented. Due to the absence of a comprehensive data base of retirees in Kenya, the study participants were selected using a mix of sampling approaches: quota, random, and snowballing techniques (where appropriate) yielding a total sample of 978 retirees. Out of the targeted 1102 retirees, 978 participants were interviewed, giving a response rate of 88 percent. Other primary data for the study was obtained from interviews with key informants and focus group discussions with the retired persons. These latter methods of study largely inform this paper.Eight FGDs were conducted, one in each region. The study also sought the views of the industry players who manage, administer, invest, execute decisions pertaining to pensions and dispense pensions to retirees as key informants among them administrators, pension personnel, trustees, custodians, and sponsors of pension funds. Data collection tools used comprised of: semi-structured questionnaires administered to retirees, FGD guide and key informant guide. Pilot testing of the research tools was conducted in a Kajiado County in southern Kenya and used to improve the questionnaire tool. Data analysis took into account the research design which combined both exploratory and descriptive survey. Descriptive statistics were used to summarize the key social demographic and economic experiences of the participants while qualitative analysis was done through thematic coding of the open-ended responses, classifying, interpreting and summarizing in descriptive form. Ethical clearance was obtained from the Ethical Review Committee of Kenyatta University and all participants were required to sign a consent form indicating their personal approval to participate in the study.

IV. FINDINGS AND DISCUSSION

This section presents the major findings from the study. The findings comprise of summaries of the socio-demographic characteristics of the retirees who participated in this study, some factors characterizing their retirement as well as their key experiences of life in retirement drawing from first-hand reporting of respondent's response to key open-ended questions.

4.1 Demographic Characteristics

From the findings presented in Table 1, a majority of the respondents (67%) were male while female respondents comprised 33%. This distribution reflects the gender disparity in the formal labour force participation, which has historically been skewed towards the male. However, this disparity is more widespread among the current cohort of retirees than the prospective retirees (those currently in their last years of employment) indicating that gender parity in employment has been narrowing over time as more women enter labour force (Euwals, Knoef, & Vureen, 2011; Rahman, 2013). This is however against the backdrop of studies that show labour force participation has continually reported gender disparities (Campa, *et al*. 2011 and ILO 2012).

Table 1: Social, economic and demographic characteristics of the respondents

Item		**Number**	**Percent**
Gender n=978	Male	568	67 %
	Female	320	33 %
Location n=978	Rural	542	55%
	Urban	436	45%
Educational Level N=978	None	19	2%
	Primary	121	13%
	Secondary	304	31%

	College	413	42%
	University	114	12%
Marital Status n=978	Married	795	81%
	Single	27	3%
	Separated	19	2%
	Divorced	18	2%
	Widowed	119	12%
Age Category (in years) n=978	50 – 55	49	5%
	56 – 60	182	19%
	61 – 65	393	40%
	66 – 70	235	24%
	71 – 75	74	8%
	76 – 80	31	3%
	80 and older	14	1%
Length in retirement (years) (mean) (SD)	10.2 years 2.1 Std. Deviation		
Employment Status n=978	Self-Employed	467	49%
	Not employed	367	39%
	Retired and re-employed	109	12%
Scheme enrollment n=978	Occupational Schemes	246	25%
	NSSF	387	40%
	Civil Service	315	32%
	Individual Schemes	30	3%
Income at retirement	Less than 5,000	69	7.1%
	5,001 - 10,000	94	9.7%
	10,001 - 15,000	131	13.5%
	15,001 - 20,000	151	15.6%
	20,001 - 30,000	181	18.7%
	30,001 - 40,000	116	11.9%
	40,001 - 50,000	110	11.3%
	Above 50,000	118	12.2%

The location of the respondent was of great importance in this study because traditionally, retirees have been found to return to their rural home upon retirement (Falola & Usman, 2009). However, this trend may slowly be reversing with more retirees opting to invest and retire in urban homes to be close to medical care and cultural amenities (Adebo & Sekumade, 2012). The study found that 55% of the retirees lived in rural areas while 45% were urban residents living in towns where they had previously worked. This indicates that the current cohorts of retirees have primarily continued to reside in rural areas but that the trend is changing. Hence, return migration of retirees to rural areas by those who previously worked in major urban areas is still largely the case in Kenya as elsewhere in Africa (Mberu *et al.***,** 2013; Grenier *et al*., 2012).Analysis on the education attainment of the respondents revealed that most had a fairly good education with over 85% of the respondents reporting having obtained secondary education or higher. This may indicate that most of the retirees were in occupations requiring higher educational qualifications. About 15% had either primary or no education at all implying that they may have been in occupations requiring low skill attainment such as artisanship, office messengers, drivers, among other occupations.Majority of the respondents were married (81%) while the other categories of marital statuses were represented by a fewer number of respondents. As an expectation in old age, there were more cases of widowhood (12%) among retirees. Further examination revealed that female retirees were more likely to be widowed as well as those in older age categories (75 years and older).The mean age was found to be 64.5 years with a minimum age of 50 and maximum of 94 years. Majority of the respondents (83%) were in the 56 - 70 years age group which corresponds to the active age for retired persons. This distribution of retired participants reflects a wide spectrum of experiences that were important to the study. The study found that the average length of retirement was 10.2 years with a mode of 5 years. From the study, engagement in employment for economic purposes is an important indicator of income security in old age. As the study found, 12% of the respondents were retired and re-employed. Upon further interrogation, those employed did so either because of economic need or to keep engaged and mostly worked in less prestigious and informal employment. There is also indication that retirees are actively engaged in self-employment with about half of the retirees

(49%) reporting that they were self-employed. Interestingly, 39% were not engaged in any form of economic activity implying that they may not have had any other income sources save for pension. In summary, the profile indicates that the sample comprised of fairly well educated respondents, in the range of 50-94 years, predominantly male, living in rural areas and largely in some form of employment including self-employment. The respondents' monthly salary at the point of retirement was investigated. Evidently, there was an even distribution of respondents in all income categories indicating fair representation across all income brackets. Nearly 50% had earned less than Kshs. 20,000 per month with 5.4% were earning less than Kshs. 5,000 prior to retirement. There was 12% who earned above Kshs. 100,000 with the modal earnings being in the cluster 20,001-30,000. Of the retired respondents, 72% had received their pension as lumpsum, 23% as commuted/monthly pension while 5% received a regular annuity.

4.2 Retirees' experiences in retirement

The core objective of this study was to examine the experiences of retirement among older persons. The experiences were classified as individual and psychological, family-related and economic and are discussed in the next section.

4.2.1 Individual and psychological experiences

The study sought to establish the views of retirees to retirement close to its onset or before they retired. Retrospectively, most pensioners reported that they were apprehensive of retirement way before it occurred. At least 79% expressed that the period before retirement was one ridden with difficult individual apprehension and this marred any meaningful preparation for retirement. The fact that families expectations from the retired persons did not change just because there was stoppage of work and income made it a very difficult time for pensioners who wrestled with the worry of how to sustain their families after cessation of employment. The struggle to maintain the status one lived during working life was also apparent presented much individual crises. One pensioner expressed:"there is no amount of training that can enable one to move easily from employment to retirement, one is ever hopeful that the day will not come, but it comes, and with it the realization that the regular pay check will no longer be there, the issue is how to maintain standards as you know you cannot change your life instantly… pension money is so little compared to that previously earned, you then feel helpless (and) soon lose hope".nother retiree had this to say:There was a time immediately after retirement when you feel so down, unappreciated and useless. I used to wake up religiously as I had done in my 38 years of service, dress up as if going to work and leave the house only to return in the evening feeling wasted and useless again"The actual "voices" of retirees attest that retirement is a disruptive and difficult period and individual maladjustment is common. There is evidence that the period presents great stress to the individual and lack of self-worth and fulfilment are real experiences. Another difficult expressed by the retirees was the inability to fit within the social system following retirement. Work patterns were viewed as isolating the worker from the wider community with most created relationships being work-based. Thus with retirement, individuals found themselves isolated, misunderstood and unable to fit in community life. One of the retirees expressed this as follows:You live all your life in a different environment, your friends are in the corporate sector, you are appreciated by those who know what you do, when you retreat back to the community, no one knows you for who you are, you get fake admirers and they pretend to be your friends…. But then, do they know you, do they value you?"From another retiree confirming this experience:"Life (spent) working makes you a stranger to the rural village, when it is time to retire and join the social networks, they treat you like the one coming to offer them solutions, yet you are looking for solutions yourself, you don't even know where to start".When asked to express how they related with their immediate communities, at least 57% of retirees indicated that they were not relating well and with further probing, the reasons provided in the FGDs through group consensus were as follows:

Table 2: How retirees reintegrate in their communities

Communities tend to regard us as richer and more experienced and expect us to advise them on life's issues yet this is not our expertise
Some expect a lot from us in terms of assistance yet we are equally struggling to maintain balance
A retiree is viewed as a misfit and many wonder why we have come back to the community as if we had given up our identity
There a lot of things (expertise) we could offer if only we are given a chance, even serving in the county government, but they (those in charge) employ very young and inexperienced people
The government does not have policies that can help us in integrating back to community life so it is up to us to find our ground and continue with life

The findings arising from these discussions are indicative of difficulties experienced by retirees in their bid to re-integrate back to their communities. They are also a pointer to inadequate measures for supporting retirees and optimizing on their long work experiences. From among the 18% of individuals in the study who did not report experiencing difficulties related with retirement, there were some who reported having actually looked forward to retirement. In one case, it was reported that routine formal work was not always that lucrative and yet persons lived under self-deception that there were no alternatives. In the voice of one pensioner: "Most of us believe you cannot survive out of employment, yet no one tells you that you are a slave to the employer… if I had known that there is (productive) life after retirement, I could have retired 10 years ago, I always feared to face the life outside work, now that I am retired and have managed to start my own company, I am more happier and fulfilled, and of course my income has improved". The finding can be interpreted to mean that retirees who find viable and promising engagement are much happier and fulfilled and that this fulfillment surpasses that experienced during their working life. However, only a few retirees report this to be their experience.

4.2.2 Family-related experiences

The study investigated the effects of retirement on family life and the retirees' family experiences. The factors that were examined included family status, relationships, status, expectations and roles. On family status, most retirees under study expressed feeling that retirement had affected their status with 63% affirmatively confirming feeling of loss of status. There was a general expression of loss of value at family leel which was tied to the inability to adequately provide familial needs. In the words of one participants:"When the salary is no longer forthcoming, how do you tell your children that school fees is not available, how do you start borrowing with no hope of an income, pension can only do little, yet everybody (family members) continues looking up to you".Still another retiree voiced:"Though you know you have to retire and you try to plan for it, needs continue to come up, it is not that you did not plan, it is impossible to plan future provision if you were not earning much, plus after you educate your children, you can't guarantee that they will get jobs" to support you in old age".

Others "I started working at age 24, worked till I was 55 years, that is how many years (31) after 31 years of helping the family, you expect help, you invested in your children and not in things, but there is no help. We invest in our children for future help but is not always forthcoming…"

One female respondent had this to elaborate regarding her own retirement experience and that of her husband who had retired three years before her:"We women know how to keep close to the family and community while working. We are more integrated in what goes on, we have women groups and other gatherings that ensure we are not strangers to one another… not so with men, my husband retired before me and up to now he seems lost, unable to stay at home and always complaining… I have retired and am ok since I have my farming to do and there is not a day when I feel idle… I think men should stay close to the family in order to find solace during their retirement".There were indications from the study that relationships at the family level were also affected after retirement. From FGDs, retirees said that their relationships with spouses were strained and that their children avoided them unlike in the past working life. Asked if retirement had affected their relationships within the family in the context of FGDs, nearly all groups affirmed this to be the case. Some of the consensus statements from FGDs show that the relations were unstable and marred with mis-understanding as follows:

Table 3: FGDs responses on how family relationships were affected by retirement

Of course they are affected, you find as if your people (family) do not understand how you feel, they are insensitive rather than stay close to you, they avoid you..
It is not easy, you suffer inside yet you have to be strong, you have to continue being the pillar of the family, but afterwards, you get your bearing and things are normal again
Most couples who were not friendly during the working life find it difficult to understand one another
Family accepts a lot from you, they may feel let down and thus treat you badly
(from a women only FGD) most men did not give us attention when working and therefore expect us to stay at home just because they have retired, yet we have our busy schedule, if they want company at retirement, they should cultivate it earlier.
I can't say family relations are bad, it is a stage like any other, with patience, most families adjust

The findings attests that one of the major course of worry for retirees was about how they would cater for their families materially coupled with how families would adjust to this reality. The failure to meet expectations together with the worry about "what next" implies that most retirees suffered psychologically. Further, it is evident that social integration is a challenge made worse by community treatment of retirees. There is also an indication that gender played a role in shaping retirees experiences and that women may be in a position to adjust positively especially if they are actively involved in social networks.

4.2.3 Economic-related experiences

One of the key findings relating to individuals' economic experiences after retirement was that payment of their pensions varied and that the mode of payment had a lot to do with these experiences. The risk of mismanaging pension benefits was found to be greater among the retirees who received lumpsum benefits. These risks arose from within the family and those external to the family. Among the risks reported by the respondents include: family-based needs such as paying medical bills for extended family members and non-family predators, who, emerge when pension benefits are paid. Retirees expressed the temptation to live in above their means when they received a lumpsum benefit which they would otherwise not have afforded during their work life. There was increased purchase of luxury goods including gifts, unnecessary travels, motorcars and household goods in cases where pensions were received as a lumpsum. For instance, one FGD participant said that, …lumpsum payment is good but can easily be wasted, misused with friends and unplanned activities." Data from the key informants was in consensus that retirement savings are often spent on impulse buying and entertainment and retirees end up in perpetual poverty after all saving have been misused. Another key finding on economic experiences was that retirees often made poor investment decisions leading to business failure. Lack of entrepreneurial skills and business failure were identified as negative experiences faced by retirees in Kenya. This was found to be a greater problem among the retirees who received lumpsum pension benefits. The amount of lumpsum pension received presented a temptation for retirees to venture into business. Although investment and business ventures were identified to a great opportunity, retirees were also particularly concerned that most of them ventured into businesses that were not well planned and in areas where they possessed no prior experience which put them at a disadvantage. Consequently, these businesses, many of which were hurriedly started and poorly informed failed leading to the loss of a big portion or all the pension benefit. In this regard, one key retiree had this to say: "…I invested in egg distribution and vegetables business which collapsed and later on started second-hand business which also failed. As a result, I have been re-employed as a house-help for one-and-a-half years." Another FGD participant expressed that, "…the need to continue being engaged makes us rush to start businesses. We have retired, we are not sick or disabled… so you rush to business to keep yourself busy irrespective of the risk involved".On the contrary, key informants indicated that retirement benefits are not for venturing business but for maintaining life in retirement expressing that pensions are organized to help maintain life in retirement adding that if the money is invested, there is a high risk of failure due to unwise and hurried investment venture.Another negative or unpleasant experience faced by retirees in Kenya is loss of retirement savings which occurred through fraudsters who preyed on pensioners. From the FGDs, the study found that the risks associated with fraud included lose through pyramid schemes or similar con ventures that promise to increase the savings to higher proportions. The study also found that often, retirement savings are lost through lending to friends and relatives who often fail to pay back. In the words of one male retiree, as one FGD participant: "When you receive your lumpsum, people think you have a lot of money, all needs come to you, others borrow and not return, yet the money is little, you end up with nothing, and the needs continue. When it is over (the money) your wife leaves you because you have no money, you lose your friends and you fall into financial distress.t was also apparent that the period immediately following retirement was one where a pensioner made many false friends and was tempted to make multiple leisure expenditure on such activities as visiting bars for alcohol and other forms of entertainment. Confirmatory evidence from a female retiree expressed this scenario in very clearly: "once pensions are paid, our husbands are at risk ….they see it as a lot of money and rush to get a younger wife or squander the money freely with friends… you know they easily dish out money to others even when the needs are not genuine…." From the foregoing discussion, it is apparent that there are risks awaiting to confront a retiree at a time when one is faced with limited choices for security their future and that of their dependents. This is because both the internal and external pressures put the retirees' savings at stake and compromise their income security in retirement. Other findings drawn from the study also confirming inadequacy of most retirees to make sound investments and to utilize their pensions in sustainable manner. In the FGDs conducted with fund administrators, it was evident that the current level of financial literacy in Kenya makes pension payments a recipe for disaster since most retirees have no training on financial matters to enable them manage investments made with the benefits.

Available evidence supports these findings. For instance, Schramm (2005) and Antolin (2008) observe that it is often difficult for retirees to manage pension payments while self-annuitization is complex and many retirees are not well informed to take advantage of fund insurance which would offer an alternative financial cushion. The obvious outcome is often to spend the savings in an accelerated and reckless manner leading to exhaustion of the funds in a relatively short time (Antolin, 2008). Other documented evidence shows that retirees endure hardships during their retirement as a result of wrong or lack of retirement plans (Inge', 2013).

V. CONCLUSIONS AND RECOMMENDATIONS

In conclusion, the findings drawn from this study with retirees have shown that retirees experience coping difficulties related to sudden cessation of employment and that individuals are poorly prepared for this marked transition which then renders it one of great stress, dis-equilibrium and individual maladjustment. At family level, retirees experiences attest to failure of family members to adjust their expectations bringing forth frictions and unmet needs. It also emerged that in the economic sphere, retirees find themselves at crossroads and often make hasty decision on how to utilize their retirement benefits leading to more complications in their family living. It also emerges that when benefits are paid as lumpsum, hasty use of the benefits coupled with unviable investments further present financial difficulties. Retirees who received a lumpsum pension were more likely to face economic hardships compared to those who received a monthly pension. In addition, retirees receiving low amounts of pension benefits even when scattered over time were likely to experience challenges in retirement as opposed to those receiving higher pension benefits. An exploration of the experiences indicates that negative experiences of retirees far outweigh the positive experiences.The implications of these findings are that the most retirees spend their retirement with multiple challenges. The study findings point to a need for programmed retirement planning support prior and after retirement. Apart from the provision of pensions, there is need for broader programmes covering not only the financial aspects of retirement but also the individual and family challenges that emanate. For those who return to their communities of origin. There is need for re-orientation and re-integration which may require the formation of retirees association, employers and county-level governments working together. The study establishes that relations at family level are affected due to factors of self-worth and family expectations from both retirees and members of their family. Retirement training should targeting positivity and offering options for retirees to keep engaged would address this challenge. There is need for prolonged support of retirees as they attempt to adjust to their newly acquired status and to ensure they adjust fairly well to make sound decisions concerning their future and that of their families. Such programmes should be embedded in the pension scheme and should be individualized bearing the unique working and retirement status of each member.

The study established that most retirees often leave work with an aim to invest their savings in business enterprises. However, due to poor business skills and low knowledge of business financing, many end up failing. The arising recommendation is the need for schemes to conduct systematic business training for those exiting the workforce prior to retirement. It may also be important to link the prospective retirees to business financing firms and micro-financiers. The study recommends that the retirees should commute a small portion of their benefits and annuitize the rest in order to be guaranteed sustenance should other sources of income fail. An initial lumpsum amount may enable the retiree to fund an income generating activity that can engage the retiree and contribute an income in the absence of other gainful employment. A pension will guarantee the retiree a dependable income and a lifetime cushioned from extreme poverty.

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