

INTRODUCTION

LAPFUND is a defined contribution retirement scheme created by Local Authorities Provident Fund Act, CAP 272, laws of Kenya with the mandate of receiving, investing and managing member's contribution to provide secured retirement.

AMAL is the Shari'ah-compliant window of LAPFUND; therefore the window offers its products and services in compliance with retirement benefit act and in accordance with Shari'ah principles. Pursuant to this, broad operation of LAPFUND Amal right from on-boarding of members to the fund investments is all guided by the Shari'ah Supervisory Board of LAPFUND.

SHARI'AH STRUCTURE

LAPFUND receives the members contributions and ensure that they are subsequently invested in a prudent manner and in compliance with retirement benefit act and in accordance with Shari'ah principles hence performs its duties of an agent to the members. As an agent LAPFUND receives a fee as compensation for its services. Any returns realized from the investment of the funds remain the properties of its members.

THE SHARI'AH SUPERVISORY BOARD (SSB)

This is a body of Shari'ah scholars contracted by LAPFUND to give guidance on Shari'ah compliance.

MEMBERSHIP

LAPFUND Amal draws its membership from the following sectors

- 1) Counties and associated institutions - Staff and MCAs of all 47 County Governments, Water & Sanitation companies, Sacco's and its trade unions.
- 2) Informal sector - Self-employed person(s) e.g. Individual member and Sacco's.
- 3) Parastatal - All employees of state corporation
- 4) Private sector - All employees of private companies
- 5) Diaspora market - Global citizens

OUR PRODUCTS

LAPFUND Amal offers the following products in compliance with retirement benefit act and in accordance with Shari'ah principles as guided by the Shari'ah Supervisory Board.

1. Retirement Benefits

Members are eligible for these benefits when they attain the mandatory retirement age of 60 years, or early retirement age of 50 years.

2. Withdrawal Benefit

A member, who leaves the service of the sponsor through either resignation or dismissal before attaining the statutory retirement age, is entitled to all his or her contribution and profit accrued; and 50% of employer's contribution and profit accrued. The deferred benefit continues to earn profit until the member attains the statutory retirement age.

3. Invalidity Benefit

A member certified permanently incapable of working due to physical or mental disability before the attainment of retirement age, is entitled to his/her benefit

4. Emigration Benefit

A member who is leaving the country without the intention of returning is entitled to payment of all his or her accumulated benefits in full.

5. Death Benefit/Survivor's

On death of a member, the nominated beneficiaries receive full payment of the member's total benefit equivalent to the total fund value in his or her account consisting of member contribution, employer contribution, and profit accrued over the period of membership.

PRODUCTS FOR INFORMAL SECTOR.

This is voluntary savings for retirement. Upon retirement member savings can be used for investment, Education, Hajj and any other basic human needs.

These voluntary savings can be accessed after three (3) years.

RATE OF CONTRIBUTION.

- ◆ Counties and associated organizations – members contributing 12% with the employer contributing 15% of the member's basic salary and house allowance.
- ◆ Informal sector – members can contribute a minimum of Kshs.1, 000 monthly or Kshs.12, 000 per year for a minimum of 3 years.
- ◆ Parastatal and private companies - as negotiated with the board

MODE OF CONTRIBUTION

- ◆ Bank transfer/Direct deposits
- ◆ Mobile money transfer e.g. Mpesa or apps.

How to make payments using MPESA

- 1 Go to MPESA option
- 2 Select Lipa na MPESA
- 3 Select Paybill
- 4 Enter business no. 754488
- 5 Account no. (Your ID number)
- 6 Enter amount
- 7 Finish process by entering your PIN and send

Allah says in the Holy Quran: "Those who eat Riba (Usury) will not stand before Allah (on the day of judgement) except like those who are driven to madness by the touch of satan. That is because they claim; "Trading is no different than usury; but Allah has made trading lawful and usury unlawful. He who has received the admonition from his Lord and stops eating Riba (Usury) shall not be punished for the past; his case is for Allah to judge. But whoever returns to Riba (Usury) such are the dwellers of hellfire wherein they will live forever:" Quran2:275

Work/Save/Retire, in accordance with Shari'ah principles?

Simply join LAPFUND AMAL.