

**INFLUENCE OF AMOUNT OF CONTRIBUTIONS TO THE PENSION SCHEMES ON THE
PERFORMANCE OF PENSION FUNDS IN KENYA**

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ABSTRACT

The motive of the study was to assess the influence of pension schemes financing structure on the pension funds in Kenya. Specifically, the study

was guided by the following objectives;

to examine the influence of

amount of contributions

on the

performance of pension funds

in Kenya and t

o determine the moderating effect of adherence to regulations on the relationship between

amount of contributions and performance of pension schemes in Kenya.

The study employed

casual

research design using quantitative secondary data. The target population was 1308 pension schemes registered with the RBA.

The study selected a sample of 79 pension funds using Fisher, Laing & Stoeckel formula.

The secondary data was quantitative in nature and was collected from the annual financial statements of the pension funds filed with RBA. Statistic tests were done for all variables in order to aid subsequent analysis using Eviews computer package. Correlation analysis was used to test the relationship between the independent variables and dependent variable.

Multiple regression analysis was used to test whether the study variables influence performance of pension funds

. The study findings revealed that

amount of contributions and

performance (ROA) are positively and significantly related

(r=

3.01E-09

, p=0.00225); and adherence to regulation and

performance (ROA) are positively and significantly related

(r=

4.29196

, p=0.000). Based on the study findings, the study concluded that amount of contributions and adherence to regulations has a significant moderating effect on the relationship between financing structure and performance of pension schemes in Kenya. Based on the findings, the study recommended that pension schemes in Kenya should formulate strategies on how to increase

the

density of contributions that they receive from the contributors as well as adherence to the set regulations. From the findings, the implication is that financing structure play a significant role in the performance of pension schemes in Kenya.

Key Words: Amount of Contributions, Pension Schemes, Adherence to Regulations and Financial Performance.

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