

# LAW SOCIETY OF KENYA SACCO SOCIETY LTD

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## DEPOSITS/SHARES/SAVINGS AT LSK SACCO SOCIETY LTD

### 1. What is the difference between Shares, Deposits and Savings?

#### **Shares:**

- This is the unit/measure representing a member's portion of ownership of the society as a co-owner.
- No member other than a Cooperative Society can hold more than one-fifth (1/5) of the total shares
- Shares are not withdrawable but are transferable to another Sacco member upon exit of membership.
- The minimum number of shares owned by a member is 1500 shares worth Kshs 30,000 with each@ Kshs 20, which earns dividends to the member.
- Share Capital is the value of the shares i.e. Kshs 30,000 is the value for the minimum shares of 1500
- LSK Sacco Society has continued to pay attractive dividends at a rate of **15% per share** in the last two years
- Shares are not used to determine the amount a member can borrow against as loan security, but having minimum share capital is an eligibility for one to borrow.

#### **Deposits:**

- Every member must make regular deposits towards his/her account in accordance with Sacco Savings and loans policies.
- These deposits are used to determine the eligibility and amount lendable to a borrower or being used to guarantee a loan to another member.
- Deposits earn annual interest to a member depending on profits made by the Sacco

- LSK Sacco Society has been allocating an attractive annual **rate of 9%** interest on member deposits in the last two years.

I. Can a member capitalize interest rebates or dividends to boost one's shares or deposits?

**Yes**, that is allowed. All that one needs to do is to instruct the Sacco in writing

II. Can a member use dividends or interest rebates to clear loans?

**Yes**, by communicating the same to the Sacco in writing.

### Savings:

In addition to shares and deposits, a member may invest in a savings account. The Sacco provides the following savings products:

i. Holiday savings account	ii. Children's savings account
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### How much is the minimum and maximum contribution can a member make towards the deposits/shares?

A Secondary member can contribute as low as Kshs.1, 000 while primary members contribute a minimum of Kshs.2000 per month. However, there is no limit to the maximum amount that can be contributed by any member. All members are initially required to contribute a minimum amount as share capital (shs 30,000) which is not refundable and then any extra amounts contributed will be transferred to the member's deposits. Members' deposits will be refunded only upon a notice of 60 days to withdraw them from the SACCO. Deposits are normally contributed through various methods including check off.

### Can a member increase or reduce monthly contributions?

Yes, by instituting a structured mode of payment such as **standing order, Direct debit, check-off & monthly post -dated cheques**. Other ways are Mpesa payment and direct deposit. **TAKE ADVANTAGE OF RAFFLE-2 PROMOTION AND INCREASE SHARE CAPITAL/PLACE A CHECK-OFF WITH LSK SACCO SOCIETY LTD AND WIN BIG!!**