Pension is one of the common benefits payable to an officer having been in pensionable office. It is a steady income given to a person usually after retirement. Pension industry around the world has grown in importance, forming one of the most important social security, guarantee in case of old age, disability or death (Isidro, 2004). However, pension scheme around the world Pension is one of the common benefits payable to an officer having been in pensionable office. It is a steady income given to a person usually after retirement. Pension industry around the world has grown in importance, forming one of the most important social security, guarantee in case of old age, disability or death (Isidro, 2004). However, pension scheme around the world has been coming under increasing pressure as a result of combination of factors (Robert, 2001). This study sought to find out the factors affecting pension scheme in the Kenyan public sector. The study focused on the Teachers Service Commission. The study sought to find out the external and internal factors affecting pension scheme and the reforms that are taking place in the public sector service schemes. The population for the study was two hundred and thirty (230) employees who are pension administrators in TSC and Treasury pension department where a sample of sixty respondents were selected using random sampling. The study made use of survey design where quantitative and qualitative data were collected. Descriptive and inferential statistics were used to analyze data. Data presentation was in form of tables, graph and pie charts. From these presentations interpretations were made hence arriving at findings, conclusion and recommendations. Some of the major findings were that the national economy affects the administration of public pension scheme, decentralizing the processing of pension claims, corruption and inefficiency in the pension department also delayed pension payments. It was concluded that several reforms be undertaken to improve the public pension scheme. Among the recommendations include automating the process of public pension, allowing public pension to operate privately, updating pension records before retiring and consulting all stakeholders before any decision is undertaken has been coming under increasing pressure as a result of combination of factors (Robert, 2001). This study sought to find out the factors affecting pension scheme in the Kenyan public sector. The study focused on the Teachers Service Commission. The study sought to find

out the external and internal factors affecting pension scheme and the reforms that are taking place in the public sector service schemes. The population for the study was two hundred and thirty (230) employees who are pension administrators in TSC and Treasury pension department where a sample of sixty respondents were selected using random sampling. The study made use of survey design where quantitative and qualitative data were collected. Descriptive and inferential statistics were used to analyze data. Data presentation was in form of tables, graph and pie charts. From these presentations interpretations were made hence arriving at findings, conclusion and recommendations. Some of the major findings were that the national economy affects the administration of public pension scheme, decentralizing the processing of pension claims, corruption and inefficiency in the pension department also delayed pension payments. It was concluded that several reforms be undertaken to improve the public pension scheme. Among the recommendations include automating the process of public pension, allowing public pension to operate privately, updating pension records before retiring and consulting all stakeholders before any decision is undertaken.