

Debate on how best to organize old age support in developing countries is growing. Old age poverty is widespread in these countries, with the informal old age support becoming more under pressure from adverse economic conditions, HIV/Aids, changes in household composition among other factors. The pension system in Kenya is fragmented and covers only about 15 per cent of the labour force. The enactment of the Retirement Benefits Act (1997) has seen some improvements aimed at widening coverage. The current legal framework in Kenya has a design that target participation of formal workers as compared to those in the informal sector. The informal sector popularly known as 'Jua kali' sector was not well covered by modern, structured pension schemes, till December 2009, when 'Mbao' Pension Scheme was introduced. This study intended to study the factors influencing saving for pension in the informal sector in Kenya and find out how these factors influence pension coverage in the informal sector. Pension awareness, contributory capacity, legal issues, literacy levels and administration factors will be assessed to determine how each influence saving for pension in the informal sector in Kisii Municipality- Kenya. The research employed descriptive survey design because the design is relevant in assessing attitudes and opinions about events, individuals or procedures. The target population of the study was 721 jua kali sector workers in Kisii Municipality. A sample of 250 workers was selected for the study using stratified random sampling method. Data was collected using questionnaires. The collected data was then arranged and grouped according to particular research questions, tabulated and analyzed using descriptive statistics by Statistical Package for Social Sciences (SPSS). Multiple regression model was used to establish the relationship between the independent and dependent variables. The study revealed that the level of awareness on the pension schemes in Kenya partly influences the savings for a pension scheme. The awareness of the 'Mbao' pension scheme is low and subsequently the membership. Legal Issues such as the by-laws applied by many local authorities and the lengthy process of dealing with the government agencies significantly ($P < 0.05$) affect the willingness of Jua Kali workers to save for pension. The level of education of the Jua Kali sector workers significantly ($P < 0.05$) influence their willingness to save in a formal pension scheme. Administrative process hinders ($P < 0.05$) the willingness and readiness of the Jua Kali sector workers to join a pension scheme .