

## Retirement Planning and Socio-Economic Wellbeing of Retirees in Nigeria: A Study of University of Uyo Teaching Hospital, Uyo

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### Abstract

*In every life situation, there must be a beginning and the end. Any good start must have a good end and this must anchor on effective planning. Management of life after retirement entails planning to accommodate a new life style when one withdraws from active service. This study agrees that any worker who ignores retirement planning is taking a serious risk as the retiree must re-strategizes, adopt and implement new methods to ease the problems associated with post-retirement life. Therefore, a worker must plan for exit immediately after getting employment. Irrespective of the fact that government has provided various schemes to cater for post-retirement years, retirement period has always been tension packed and thought provoking as many potential retirees are unprepared. This could be attributed to poor planning, lack of funds, non-payment or irregular payment of pension and gratuity. This study affirms that a palatable and fun filled post-retirement life demands effective planning, training and proper counseling, thereby recognizing that workers who fail to plan for their post-retirement life are planning to have unnecessary threat to their old age. These threats includes: poor health condition, unhappiness, low self-esteem, redundancy and low socio-economic environment. Understanding that retirement is a time characterized by changes in the emotional, social, economical, health and nutritional aspects of life with either positive or negative effect are very essential. Workers must therefore identify means of managing their post retirement life irrespective of harsh and unfriendly conditions to remain productive and healthy after active service. This study opined that government should embark on investment opportunities, training and skills acquisition, awareness campaign through seminars, workshop and public lectures in planning for retirement.*

**Keywords:** Retirement planning, Socio-economic Wellbeing, Retirees, Teaching Hospital

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### INTRODUCTION

Retirement is the longest holiday one ever have after many years of service. It is therefore pertinent to start planning for retirement immediately one is gainfully employed or commence any form of production of labour. According to Okolie (2011), the end of work and life after work are two concepts that are rarely discussed by people. As people get older and get to the end of their career, they begin to fear retirement because they are unprepared. Leaving a regular paid employment can either be pleasurable or a nightmare. This is manifested in how people react and behave on the mention of the word retirement. The common thing about retirement is that the age of the retirees are the same but experiences of retirement are personal. As a result, people react differently to it depending on their philosophy of life, mental alertness and attitude to life. Retirement at any stage of life can lead to health crises, death, unemployment, idleness, frustration and disaffection in life.

Retirement planning according to Kagan (2020), is the process of determining retirement income, goals, actions and decisions necessary to achieve those goals. Retirement planning includes identifying sources of income, estimating expenses, implementing a savings programme and managing assets and risk. Future cash flows are estimated to determine if the retirement income goals will be achieved. Retirement planning is ideally a life-long process and it is the best way to ensure a safe, secure and fulfilled retirement.

Most developed countries have organizations responsible for planning for retirement and payment of retirement benefits. In Countries like Britain, America, Russia and United Kingdom where pension schemes are functional, most retirees live comfortably with their pension allowances without influence in their family economic stability. In Nigeria, this is handled by Government through the

National Pension Commission (PENCOM) which is vested with the duty to regulate the activities of both the Pension fund Administrators and the Pension Assets Custodians for the general interest of the pensioners. Recession and economic hardship in Nigeria are major distressing factors that confront retirees in this Country. Inflation has eroded the value of money paid to retiring workers so that they cannot make ends meet. In addition, due to corruption and administrative bureaucracy, payment of pensions to retirees had always been delayed with negative implications. Pensioners are made to undergo series of verification where they present themselves under stressful condition irrespective of their health condition and poor facilities for the exercise.

Pensioners are often made to travel long distances for verification irrespective of their age and deplorable transportation situation in the Country. Evidence further revealed that even after the verification exercise, Government would always owed them arrears of the pension and gratuity ranging from two to three years.

The society has a considerable effect on the wellbeing of Retirees. According to Omowymi (2011), in a materialistic society, the more wealth one acquires the more one is respected. The pertinent situation about most retired public servants is that as soon as they leave service, the respect given them seems to reduce, the congratulatory messages during their birthday drop and the number of invitation to ceremonies dwindles. In this type of situation, it requires a well-adjusted retiree to cope.

While I was cultivating vegetables in my farm with some Labourers, I observed that while they were assembling the crops for commercial purposes they were also setting aside some which they consider not good enough to be disposed. On enquiry, I realized that their action was to set aside crops that they will take home for food at the end of the farm work.

This explains that they farmers planned ahead so that when they finish the day's work and are tired they would not forget what to take home for dinner. This confirms what Gbenoba (2010), wrote in the Nigerian Tribune of 27<sup>th</sup> June, 2010 about a retired headmistress "that life after retirement was quite blissful". She added that she had more time for herself and could sleep and wake up when she likes. This presents a picture of a woman who has prepared her mind very well for retirement. It is therefore advisable for all Civil Servants to start planning for retirement the moment their appointment is confirmed.

#### **STATEMENT OF THE PROBLEM**

In human existence, daily activities and work are an integral part of human life because they serve as means of socialization. Through work, human beings build interpersonal relationship because it provides opportunity for them to meet people, interact and have a social status. At retirement, another phase of life and a process of transition have started with noticeable changes in age, daily activities, health, lifestyles and income. This can bring about stress and depression if not properly managed and counseled.

Personal experience in the cause of this work has showed that most Civil Servants lack basic understanding of the Pension Reform Act of 2014. This is a new Pension Scheme which aims to govern and regulate the administration of the uniform contributory pension scheme for both the public and private sectors in Nigeria. It is observed that many employers of labour are defaulting under this scheme as they fail to remit their contributions as at when due.

Another area of problem is the strenuous screening process of Civil Servants before they can collect their pensions and gratuity. This situation exposed the retirees to serious financial ordeals as they are left at the mercy of friends and relatives where their siblings cannot care. In cases of health challenges, it becomes difficult to assess qualitative healthcare as there is no financial strength to back up their needs. Inflation as a result of economic recession is not helping matters and this has negative effects on the financial status of retirees. This is complicated with the non-payment of pension and gratuity for long periods by the Federal and State Governments. The retirees are left helpless; at times they resort to peaceful protest with no impact on government. Accordingly, the study has come up as a result of the conspiracies of these factors, in order to see the possibility of arresting the situation.

#### **OBJECTIVES OF THE STUDY**

The study is to look at the retirement planning and socio-economic wellbeing of retirees in Nigeria with particular reference to retirees and retirement planning system of the University of Uyo Teaching Hospital. In doing this, the objective of the study is to examine:

- i. the level of economic adjustment, social implication and how the level of income influence the lives of retired Civil Servants in the Hospital;
- ii. how retired Civil Servants in the Hospital prepare for retirement and adjust to post retirement life;
- iii. identify the factors that militate or promote a satisfying retirement life;
- iv. evaluate if the Hospital and government retirement programmes have equipped Civil Servants to prepare for the post-retirement challenges;
- v. make appropriate recommendations on how to solve the problems identified.

#### **SCOPE OF THE STUDY**

This study is focused on Retirement planning and socio-economic wellbeing of Retirees in Nigeria with particular reference to University of Uyo Teaching Hospital. The researcher is opportuned to

observe a consistent trend in the administration of retired Civil Servants in the Hospital. Therefore effort is made to assess the retirement planning in the Hospital as it affects the socio-economic wellbeing of the retirees. Being a Federal Tertiary Health Institution, the Hospital operates the New Pension Reform Act of 2014 with the objective and application enacted in the Act.

## **METHODOLOGY**

Information for this study is based on primary and secondary data. For secondary data, information was sourced from library materials such as relevant text books, journals, magazines, internet browsing, government official reports and seminar papers. Primary data include oral interviews and personal observations. All category of retired staff in the Hospital also constituted the study population.

## **THEORETICAL FRAMEWORK**

### **Structural Functionalism**

Structural functionalism or mostly referred to as functionalism is a framework for building theory that see society as a complex system whose parts work together to promote solidarity and stability. Functionalism addresses society as a whole in terms of the functions of its constituent element namely norms, customs, traditions and institutions. An analogy made by Herbert Spencer presents these parts of the Society as “Organs” that work towards the proper functioning of the body as a whole. In the most basic terms, it simply emphasizes the effort to impute as rigorously as possible to each fracture, custom or practice, its effect on the functioning of a supposedly stable cohesive system. This theory sees Nigeria as a dysfunctional country who is lacking in many areas; one of which is care for the elderly. All components parts of the system do not work together and this brings about instability. Consequently, retirement in Nigeria is dreaded and viewed negatively.

### **Activity Theory**

This theory was propounded by Robert Havighurst in 1961. The theory maintains that elderly individuals experience utmost happiness when they are actively engaged in meaningful social interactions and activities. This theory focuses on the social life of older people, without emphasis on economic gains as a goal. It affords the elderly opportunity of locating alternative roles they could utilize to remain agile socially for their benefit and that of the entire society. It is therefore common to see most retirees take up job opportunities or organize a non-governmental organization in their relevant fields of specialization. For instance, a retired Nurse, Doctor, Pharmacist, Health Administrator and Medical Health Information Officer can go into private practice. Same is applicable to a retired Teacher or Lecturer taking up appointment in any private school or University. This theory has been criticized for adopting a single variable like activity and neglecting the aspects of differential health and socio-economic status among elderly individuals thereby curtailing active living if negatively predisposed to. Despite this criticism, it is observed that older people who are actively involved in social activities tend to be happier and healthier.

## **LITERATURE REVIEW**

### **BRIEF HISTORY OF RETIREMENT**

Retirement is the practice of leaving a paid job after one has reached a certain age. It can also be seen as a process of withdrawing from a certain job when one is tired. Before the advent of a uniformed retirement scheme, men, women and children used to work as long as they live irrespective of their age and as their energy and strength permit them.

Research revealed that, in 13 B. C., the Roman Emperor Augustus began paying pensions to Roman Legionnaires who had served 20 years. The troop’s pensions were financed at first by regular taxes, then by a 5 percent inheritance tax. (A Brief History of Retirement: It’s a Modern Idea, 2013). The History further confirmed that in the 16<sup>th</sup> Century, Britain and several European Countries offered pensions to their troops, starting with officers and gradually expanding to enlisted men.

The first civilian public servant known to have received a pension was an official with the London Port Authority. In 1684, he was paid half his working income deducted from the pay of his replacement. Thomas Paine, the Revolutionary War Firebrand famous for his essay “Common Sense”, called for a 10 percent inheritance tax. Part of the tax was to be used to pay benefits to everyone age 50 and older to “guard against poverty in old age”. Updegrave (2003), however viewed retirement as a product of industrialization which came after the establishment of industries in the 18<sup>th</sup> and 19<sup>th</sup> centuries.

The 19<sup>th</sup> Century Industrial revolution in Europe brought about migration of people from rural to urban centres in search for jobs. In 1889, German Chancellor Otto Von Bismarck introduces modern

pensions. Bismarck was not really motivated by compassion for the plight of the working class. He wanted to pre-empt a growing socialist movement in Germany before it grew any more powerful. The idea of providing financial security for the aged gradually caught on and expanded in Europe, the United States and other advanced economies. In 1935, the United States created social security and added Medicare health benefits for the elderly in 1965. In Nigeria, the Public Service Rules, Section 8, Sub-section: 020810 (i) to (iii) stipulates that:

- the compulsory retirement age for all grades in the service shall be 60 years or 35 years of pensionable service whichever is earlier;
- no officer shall be allowed to remain in service after attaining the retirement age of 60 years or 35 years of pensionable service whichever is earlier;
- the provisions of (i) and (ii) of the rule is without prejudice to the prevailing requirements for Judicial Officers and Academic Staff of Universities who retire at 70 and 65 years respectively.

According to Balogun (2006), Nigeria had her first Pension Scheme in 1951. This was established by the Colonial British administration by the instrument they referred to as Pension Ordinance. The introduction of this Pension Scheme had a retroactive effective date from 1<sup>st</sup> January, 1949 and applied only to United Kingdom Officials posted to Nigeria. Other Pension Schemes in Nigeria were the National Provident Fund of 1961, the Pension Decree 102 of 1979 and the Nigerian Social Insurance Trust Fund of 1994. Assessing the schemes, Obi (2002), stressed that these schemes were characterized by outright corruption and embezzlement, thereby giving rise for Pensioners to cry out loud in streets and to mass media for a positive change. This gave birth to the Pension Reform Act, 2014 with the objective to continue to govern and regulate the administration of the uniform Contributory Pension Scheme for both the public and private sectors in Nigeria. According to Agi (2014), the introduction of the Contributory Pension Scheme in Nigeria in 2004 had its origin from Chile and its Latin American neighbours that personalized pension to the contributor and managed by licensed private sector entities.

#### WHAT IS RETIREMENT

Osuala (1985), opined that retirement is an age-long practice in both the private and public service. It is a major stage in adult development and it marks the split from middle years to old ages. He added that at 65 years of age, our mental and physical exuberance dwindles and it becomes rational to relieve the person of some strenuous and excruciating duties that may weigh him down and consequently threaten his health.

Buckly (1974), sees retirement as an inevitable stage of ageing where the individual gradually disengages from the main stream of active work, social work and is eventually replaced with younger ones. In the view of Ogunbameru (1987), retirement is a crises situation for most retired public servants in Nigeria. It is more than withdrawal from service but a major crisis especially in Nigeria because there is an absence of pre-retirement counseling. He added that counseling given by employers to employees could generate changes that normally facilitate the transition from work to retirement.

Taylor (1992), argues that a person may decide to retire whenever they wish. Nevertheless, in any given Country, there is a precise age that has been specified as the customary retirement age although this age may vary, it is typically at mid ages of 57 and 70 years. For instance in the United States, a person holding the rank of an Admiral or General usually retires from work after forty (40) years of service unless he or she is reinstated to serve again. Mainion (2006), stressed that retirement is the detachment from primary activity in a company, trade or active facility as full time employee.

#### FORMS OF RETIREMENT

Nwajagu (2007), identifies three ways of retirement to include:

- i. Deliberate or Personal Retirement:** This form of retirement occurs when the individual chooses to quit active service for private or personal aim regardless of age, proficiency; span of service or retirement. Ugwu (2011), argues that deliberate retirement is self-imposed. In other words, an individual may make up his mind to retire or to stay in the service. Several prospects in the service are considered by the individual and where there is no job satisfaction, such a person is at liberty to retire voluntarily.
- ii. Required or Enforced Retirement:** This is a situation in which an individual is forced or compelled to retire against his or her wishes especially when he or she is unprepared for it. It is usually viewed in a negative sense because of the fact that it is unforeseen.

- iii. **Constitutional Retirement:** This is a normal or expected form of retirement. This form of retirement occurs when the person involved has attained the compulsory age of retirement as specified in the condition of service.

Guides to Administrative Procedures in the Federal Public Service identified four (4) ways to leave the service as follows:

- i. **Withdrawal**

An officer can decide to leave the service after completing 5 years service. Note that this type of officer is entitled to gratuity only by the provision of Section 21 (2) of the Decree. Such an officer is required to give 1 month's notice.

- ii. **Voluntary Retirement**

An officer who has completed 10 years pensionable service and more may decide to retire voluntarily, such an officer will be required to give three months notice. Where however he decides to retire with immediate effect, he will in accordance with Section 21 (1) be required to pay three months salary in lieu of such notice. In the processing of pension documents he will ensure that notices should clearly indicate actual date of withdrawal/retirement/expiration.

- iii. **Compulsory Retirement:** An officer who is compulsorily retired is entitled to receive payments of 3 months' salary in lieu of notice.

- iv. **Termination of Appointment :** An officer whose appointment is terminated in public interest is entitled to one month salary in lieu of notice. It is essential to give a clear picture of why an officer is leaving the service. Most times the word "termination" is used for an officer who ordinarily should be dismissed from service for an act of gross misconduct. All cases of dismissal should not attract any benefit. Apart from the various forms of retirement, finance and health status constitutes a crucial factor for retirement. Adams (2003), stressed that the two main issues individuals consider before deciding on retirement are finance and health. People with poor health or whose loved ones are disadvantaged health wise tend to retire earlier; those with good health work for more years. Quadagno (2005), explains that the decision to leave service in America is heavily influenced by policies such as social security benefits, disability insurance and economic factors. Social Security Act of 1962 in the United States encouraged many workers to retire early at about age 62 in order for them to benefit from the scheme. He also outlined personal factors that are responsible for an individual's decision to quit service to include:

- i. **The Rules Guiding Labour Participation:** The prevailing rules directing the operation of an organization at any given time may serve as guide to people's decision to quit or remain in service. For instance, the possibilities of mergers, acquisitions, operation shutdown, and downsizing have great effects on employees' decision to quit or remain in service. These factors tend to pose threat to employees, who might be oblivious of what the future holds for them in such organizations. On the contrary, where mandatory retirement at a particular age is practiced, workers may not decide otherwise when they attain such age. They are mandated to retire at such age.

- ii. **Individual's Job Perception:** People's feeling about their jobs also determines when and how they decide to quit. Individuals attach great importance to environments that provide opportunity to have control over one's life and offer avenue for financial security. Thus, Barnes-Farrell (2003), confirms that the availability of an environment that allows for personal control in the workplace keeps employees longer in employment. This is consistent with Quadagno's (2005), assertion that people who enjoy better reward and control over their work environment tend to remain in service for a longer period and vice-versa. Accordingly, professionals with challenging tasks usually delay retirement. In a developing nation like Nigeria, this might not necessarily be the case due to the economic challenges and responsibilities individuals are faced with. If this is a true picture for all economies, then class teachers who are generally less rewarded in Nigeria ought to retire earlier than observation has shown. Many of them with good health do retire under the mandatory arrangement, their meager salaries notwithstanding. As much as they might like to quit, the rate of unemployment in the society and lack of adequate savings might make such a decision less rational.

- iii. **Health Status:** Health status of individuals is a crucial determinant of decision to quit work. Workers with poor health are more likely to withdraw from service earlier than those with sound health. Fewer workers retire based on health challenges nowadays because most tasks are now less physically challenging due to technological advancement.

iv. **Accrued Income:** Lack of adequate savings towards retirement is one bane on the decision to retire. When income is inadequate to support life after retirement, workers tend to think less of retiring at least not earlier than the statutory age of retirement where it is operational. In the United States, people could continue working till as late as age 69 and still benefit from the Social Security Plan.

v. **Family Responsibilities:** Family consideration in retirement decision is in two parts. First, many couples who have always planned their lives and families together, are more likely to negotiate retirement decisions together (Smith & Moan, 2004). Thus, the decision to retire is not always that of the worker alone, especially if he or she is married. According to Quandagno (2005), in developed nations, couples sometimes plan their retirement to fall in the same period if they could afford it. This arrangement is referred to as joint retirement. This is also common among couples described above. Sequential retirement occurs more in Nigeria where a partner retires while the spouse continues working. Observation has shown that most Nigerian couples retire from employment at different times. This is probably due to economic conditions in the country and in the interest of their families. Family responsibilities as per the training of children and caring for aged parents play a vital role in retirement decision.

#### **FACTORS THAT INFLUENCE FULFILLED RETIREMENT LIFE**

Research has identified many factors that are determinants to a fulfilling retirement. These factors include:

i. **Adequate Material Possession:** This defines what a retiree is capable of achieving financially and what he or she is able to do physically. For instance, a strong financial base helps retirees to live in the environment of their choices and maintain their preferred lifestyles. (Ali, 2014).

ii. **Sound Health is a Predictor to Happiness:** Adedokun (2010), states that good health in the post retirement years is perceived as the predictor of a retiree's happiness.

iii. **Nature of Retirement:** Satisfaction in retirement is dependent on the manner a retiree exits from service. Voluntarily retired individuals are more fulfilled than those who were compelled to retire. While the former's mind is made up for retirement, the latter's experience of exit from service sometimes trigger a shock. (Ogbesor, 2011 and Ali, 2014).

iv. **Family Status:** Quadagno (2005), argues that married retirees are happier and able to transit to the retired status with less stress. This is attributed to the emotional attachment of the couples. Quadagno was however silent on couples from troubled marriage background.

v. **Sufficient and Timely Retirement Planning:** Retirement planning is the strongest determinant of satisfaction in the post-retirement years. It is essential for employee's to plan and be at ease with the social activities they can afford after retirement. They should determine the activities their income could contain. This would ease off frustration and withdrawal from activities.

vi. **Freedom to choose how to Retire:** In Nigeria, government has pegged down retirement age and this has given workers choice on how to retire. Barnes – Farrell (2003), stressed that the privilege to determine the timing of one's retirement has a great effect on experiencing satisfactory retirement.

vii. **Perception of Retirement:** How individuals perceive retirement determines to an extent the degree of satisfaction they will derive from retirement. A positive perception of retirement is important to living a satisfying life after retirement. (Quadagno, 2005).

#### **PLANNING FOR RETIREMENT**

Retirement planning is the planning a person does, to be prepared for life after paid work. This includes financial management, healthcare services, choice of lifestyle, time management, where and how you live, and setting up specific targets to achieve your wellbeing. To achieve this, a retiree must identify his sources of income and how to manage assets and liability. According to Adewuyi (2008), planning for retirement is possible through the following:

i. **Employee's Life** – this includes needs, value system, feeding pattern and mode of dressing.

ii. **Personal Income** – this involve, money saved and investment made while in active service and income generated at retirement.

iii. **Legal Advice** – this include writing of will and business ventures supported by proper legal advice.

Adewuyi (2008), further identified four basic steps to successful retirement planning as:

- Self Assessment
- Harvesting Information
- Setting of achievable goals
- Acting appropriately

Adewuyi explains that following these practical steps brings about successful outcome in retirement planning and helps the retirees identify their priorities in life and personal needs. To do this effectively, there is need for self-examination, prioritizing one's goals, self-acceptance, trust in one's ability, realistic approach to goals set, self determination, workable methods to achieve goals set, living a purposeful life, evaluation and appraisal of one's goals and need for adjustment where necessary.

Olatomide (2014), confirms the essence of pre-retirement planning as the antidote to most of the problems retirees are faced. According to him, retirement stress in Europe and America is just about 15% as a result of pre-retirement planning and counseling. This cannot be said of Nigeria where stress and anxiety are very high among workers on the mention of the word retirement. Olatomide (2014), highlighted on the areas potential retirees need education to include: investment opportunities, financial management, information on re-employment opportunities, and required competencies for future productivity.

It is pertinent to stress that retirement planning can start at the early stage of life. Between the ages of 16 to 30 you can open an account and save the little money you have; you may not have enough money for investment but you can have enough time to make your deposit or any other investment mature. Within this period of young adulthood when you are either in school or undergoing any form of training, you do not have a lot of responsibility. You can start investment with the little income you have and you will see how it will grow.

The ages of 31 to 50, the pick period of life, a time to think of how to raise a family, develop a business venture and stabilize the investments you started. This can bring a lot of financial strains. However, it is critical to continue saving at this stage of retirement planning. The combination of earning more money through your positive engagements, the time at your disposal to continue to invest and the interest you earn makes this period interesting for aggressive savings. The age of 51 to 70 can be viewed as a conservative period in life. Time is running out of hand and it is ripe to start evaluating your retirement planning processes. While you set aside little funds for savings you have to look at the changes in your diet, health status, your home, income and how you manage them for a satisfying retirement days.

Akpanmkpuk (2011), buttresses this by explaining that any human being who lives to old age must experience three stages of life namely, the age of minor, productive years and the age of retirement or old age.

The Minor is the period individuals are under the control and authority of their parents and guardians. The responsibility for the upkeep and education of the minor is totally that of the latter. However, the minor has the duty of listening to and acting according to the instructions of the parents or guardians to avoid problems with the second phase or stage.

The second stage is the productive years. This is the stage when people are expected to shoulder personal and other responsibilities simultaneously. Some of these obligations are: to work, raise and take care of their families, prepare adequately for old age when pension cannot be totally depended on because of economic crises in the country, and plan for the unknown in the event of sudden demise.

The third stage is the age of mandatory retirement in the Nigerian Civil Service. People in this stage of life rely on one another or more on Pension where applicable, grown-up children, proceeds from investment made while in service and charity. A lifestyle short of proper planning at the second stage is one of the reasons for distress and poverty among the elderly in society today.

Akpanmkpuk (2011), further highlighted on situations that demands individuals to prepare for retirement to include:

- i. **Absence of Welfare Package for the Old People:** Nigeria do not have a comprehensive welfare package for the retirees which is in opposition to the United States Social Security System.

One must therefore plan for his retirement. Depending on Pension could be risky because of the irregularity in its payment and the challenge of inflation in the Country.

ii. **High level of corrupt practices in the Public Service:** Corruption has bedeviled the pension system in the Public Service. This is observed in the delay in the payment of pension and gratuity, mismanagement of pension funds and unnecessary bureaucracy. As a result, workers are compelled to protect themselves against future uncertainties by embracing all forms of corruption.

iii. **Political Environment:** The Nigerian political atmosphere is a very risky venture especially for a retiree. A retiree who intends to go into politics in Nigeria needs to plan and critically analyze the risks involved before venturing into it. Alternatively, workers should rather invest their resources in businesses that have dividend in the long run than on ventures that are risky.

#### **PROBLEMS CONFRONTING RETIREES IN NIGERIA**

Retirement if properly planned is a period of fun but retirees in Nigeria are experiencing negative and difficult situation due to poor planning. Some of the problems confronting retirees in Nigeria are:

i. **Lack of Planning:** Anyah (2000), observed that many Public Servant feared retirement and were refusing to go on retirement because of the boredom and loss of the sense of self worth and security that were observed among retirees. He further observed traces of idleness in some retired public servants who have openly complained about not having enough to do after retirement. Ali (2014), argues that with the unpredictable economic status of the Country, it is expedient for all workers to plan for retirement, with little reliance on pension. He stressed that any worker without plans for retirement would experience one or more negative emotions and situations such as frustration, boredom, unhappy and unsatisfactory life, lack of adequate finance, fear, uncertainty and low social affinity. It is therefore necessary to plan for retirement. According to Amune et. al (2015), Planning is the arrangement of sequence of actions and steps to achieve specific goals. If effectively done, you can reduce much of the time and effort required for achieving the goal. With careful planning, you often can foresee likely problems and it is much easier to adjust your plan to avoid crises, rather than to deal with the crisis when it comes unexpectedly. Ali (2014), opined that proper planning will lead to sound health, financial security, good self-image and opportunities for other vacations thereby eliminating boredom in the post retirement years.

According to Garba (2014), several employees retired without tangible planning. Some of them entered the retirement phase devoid of any financial or material savings and acquisition to fall back on. Such a situation is capable of resulting in frustration and untimely death. Also, low income earners among civil servants in the Country, coupled with heavy family responsibilities are unfavourable to savings and retirement planning among employees in the Country. Ogunbameru (2013) identified the following main factors to be responsible for lack of planning:

- The belief by many Nigerian workers that their pension money would provide all that will be needed to live on, comfortably, after retirement.
- **Laxity:** The attitude of many Nigerians to live only for the economic moment, with the belief that the future will take care of itself. This 'optimistic fatalism' has been found, though rather late for many to be false expectation.
- Most Nigerians do not plan for retirement, for no fault of theirs, but due to the nonchalant attitude of employers towards providing pre-retirement programmes for their employees.
- Lack of exposure. Most Nigerian workers are not exposed to pre-retirement education where planning is taught.
- Laziness and lack of planning attitude for retirement are also associated with lack of planning. Nigerians are simply not bothered to devote their time to think about retirement plan.
- Apathy and fear of failure: By not taking action, it is believed there is slight possibility of failure unless a problem is urgent and pressing.
- Poverty: Poverty makes it difficult to budget and save money while they are raising their children. Paired with this is the practice by some men to raise many children beyond their financial capacity thereby leading to more poverty.



- **Corruption:** Nigerians who are used to taking bribes or kickbacks hardly envisage that such bribes would not be available in post-retirement.
  - **Procrastination:** Most Nigerians either do not plan or delay their retirement planning until retirement is upon them.
- ii **Lack of Accommodation:** Several government employees do not own personal houses at the time of retirement, this is hinged on meager salary and poor planning while in service. At retirement, their take home pay is not good enough to provide them with a comfortable accommodation. This leads to frustration and can compound their problem.
- iii **Delay in Payment of Pension and Gratuity:** Fapohunda et al (2013), stressed that at the point of retirement when pensions and gratuity are expected to be paid, most retirees face a lot of procedural setbacks. Accurate documentation has been a challenge for many years. Retirees therefore have to wait several years before their benefits are paid; many of them die in the process.
- iv **Embezzlement of Pension Funds:** Fapohunda et al (2013), further pointed out that embezzlement of pension funds is another major hindrance to a satisfying retirement life in Nigeria. In many cases, retirees are starved of their entitlements for several months and sometimes for years as a result of inadequate funding. Pension funds get misappropriated by authorities saddled with the responsibility of seeing to retirees' welfare.
- v. **Physical Changes and Disabilities:** Adedokun (2010), explained that old age comes with several physical changes and disabilities. These changes are met with certain unfriendly gestures from the younger folks. The aged are viewed as frail, mentally inferior and poor. Their weak bodies and peculiar attitudes put many young ones off and lead to deliberate avoidance of the aged. Garba (2014), confirmed that the African culture of respect for elders has been eroded for Western celebration of youthfulness. The society in recent times accords, the old people less than the expected regard. This concern gets many Retirees worried about their place in the Society. This concern and worry can lead to distress or death.
- vi **Health Challenges:** Most employees retire from service between the ages of fifty seven (57) and sixty (60) years. This time they are prone to sickness as a result of age. They will spent more money on health care needs because the insurance schemes they use to enjoy while in service may not continue because they are no longer in service and they retiree cannot foot their medical bills anymore. A retiree facing health problem may not enjoy the post retirement life and will find it difficult to adjust.
- vii **Lack of Pre-retirement Counseling:** According to Amune et al (2015), pre-retirement counseling is the counseling services made available to an employee to get him or her acquainted with the requirements needed for a comfortable retirement. It is also aimed at helping workers to plan for their retirement when still engaged. Akinade (1993), stressed that pre-retirement counseling is the provision of comprehensive guidance and information concerning the social, emotional, financial and other aspects of retirement. The basis of pre-retirement counseling is to create awareness for an employee concerning his/her tomorrow. Grangard (2002), stressed that the fears associated with retirement may not be there if sufficient preparation is made. To many people, the mention of the word retirement is associated with negative feelings. Only a few view it positively and look forward to it with zeal and enthusiasm. Obviously many people enter into retirement without any personal plan or pre-retirement counseling. Employers of labour on their own part have not done much to enlighten the employees on the need for adequate planning for retirement. Hence many workers enter into retirement unprepared.

## FINDINGS AND DISCUSSION

Retirement is a career change and is a very important stage in life because it marks a new beginning, training, choice of direction, counseling and consolidated approach to ensure that the merits and demerits of the new environment is properly assessed. Change in life equally requires review in style of life, feeling, action and adequate networking. With this in mind, this study examines retirement planning and socio-economic wellbeing of retirees in Nigeria: A study of University of Uyo Teaching Hospital (UUTH), Uyo.

University of Uyo Teaching Hospital (UUTH), Uyo has a Pension Unit established majorly to handle all pension matters of both serving and retired staff of the Hospital with the following core functions:

- i. To advise new entrants into the service to register with any Pension Fund Administrators (PFAs) of their choice and the Pension Unit of the Hospital for proper documentation. To advise retirees on documentation to be made to Pension Fund Administrators (PFAs) for the process of their retirement benefits.
- ii. To liaise with other Stakeholders in Pension Administration such as Pension Fund Administrators (PFAs) and National Pension Commission (PENCOM).
- iii. To advise retirees to liaise with Pension Fund Administrators (PFAs) for necessary arrangements and payment of their retirement benefits.
- iv. Be the link between the University of Uyo Teaching Hospital (UUTH) and the Retirees by keeping relevant information relating to retirees' condition and welfare.
- v. Advise retiring employees on the existing Pension Laws, circulars and implications of future reforms.
- vi. Highlight potential problems and assist in resolving issues on pre-retirement and retirement.
- vii. Notify intending retirees of their retirement date.
- viii. Issue attestation/introduction and confirmation letters to new retirees for documentation with Pension Fund Administrators (PFAs) for the process and payment of their retirement benefits.
- ix. Give administrative guide to next-of-kin of deceased Officers who died in active service in respect of the deceased benefits.
- x. Interact with Pension Transitional Arrangement Directorate in favour of Pensioners under Defined Pension Scheme.
- xi. Coordinate and carryout other functions as may be directed from time to time by the UUTH Management.

From findings it was observed that majority of the staff in the Hospital retired from service on attainment of the compulsory retirement age of 60 years or 35 years of pensionable service, very few retired voluntarily others were deceased. See table below for details:

Year	No of Retired Staff Compulsory	No. of Retired Staff Voluntary	No. of Dismissed Staff	No. of Deceased Staff
2010	15	Nil	Nil	Nil
2011	55	Nil	Nil	31
2012	59	Nil	Nil	35
2013	33	Nil	Nil	Nil
2014	81	Nil	Nil	46
2015	120	Nil	Nil	48
2016	136	2	Nil	52
2017	162	7	Nil	54
2018	22	Nil	Nil	Nil
<b>Total</b>	<b>683</b>	<b>9</b>	<b>Nil</b>	<b>266</b>

In terms of retirement planning adequate attention is not paid in this direction. Nearly all potential retiree rely on their pension and gratuity for post retirement life. In retirement planning, there is no such thing as too early. If you start preparing for your retirement early you will not be caught napping. Positive attitude towards retirement should be established early. The Pension Unit should educate staff on how to establish rules outside the job, start up little farm projects AND CREATE investment opportunities. This will help to ease the shock of transition from paid employment.

Unplanned retirement creates avoidable problems like distress, financial anxiety, tendency to lapse into a state of apathy and complete inactivity, health problem, loss of contact with friends and colleagues, feeling of dissatisfaction and unfulfilled life. A well prepared retirement plan will enhance good health, remove burden of idleness, eliminate felling of being unwanted and financial distress.

Again the study showed that there was no government adequate retirement programme to equip the retired civil servants for the post-retirement life. It is expected that Employers organize pre-retirement seminars and workshops for all staff at least two (2) years before retirement. Experts and Consultants in Retirement Planning should be invited to organize such seminars; this will sensitize and create awareness to the retirees on their change in career.

The study also revealed that many of the retired staff were still living in rented apartments. The introduction of Housing Scheme and rent subsidy allowance for civil servants was not well explored by the retired Civil Servants. This was attributed to unnecessary bureaucracy in the process of assessing Federal Government Housing Loans. The percentage deduction of the monthly National Housing Fund by government from salary was very small and cannot achieve anything meaningful at the end of the service.

Housing is universally accepted as the second most important human need after food. In recognizing this, the Jonathan administration established the Federal Ministry of Lands, Housing and Urban Development in April, 2010 with the responsibility of ensuring adequate and sustainable housing delivery and maintenance of a conducive living environment that meets the needs and aspiration of the Nigerian citizens. From survey, the Mortgage and loans for housing construction are benefiting only a few senior civil servants. The loans from the commercial Banks are not easy to obtain even if one is qualified to get the loan. Retired Civil Servants from the Hospital often apply to collect their Federal Housing Scheme monthly deduction savings after retirement. The survey also confirms that the total earnings after the service years is very small and cannot afford an accommodation.

It is therefore pertinent for government to make this loan available to all category of Civil Servants as well or expand the lending capacity of Commercial Banks. Also, to assist the Civil Servants secure befitting accommodation, the Federal Government should adopt the housing policy of Countries like India, Soviet Union, North and South America.

Individual state of health is very essential for a satisfying post retirement days. While in service, the staff of the hospital including their siblings enjoy free health care services through government insurance policy of National Health Insurance Scheme (NHIS). The NHIS came into existence in Nigeria in the year 2005 as part of government's intervention to provide Nigerians with unhindered access to medical services with broad range of healthcare providers. Upon retirement and on the condition that the Ministry of Health forward your name to NHIS that you have retire, the free healthcare services will be stopped and you will be expected to pay ₦15,000.00( Fifteen Thousand Naira)only, yearly to enjoy the services. But if the reverse is the case and you are maintained in the NHIS payroll and your capitation is paid the medical services will continue. The problem observed here is the inability of many retired civil servants to be alive to the new situation as they still expect free medical services. This is attributed to poor planning and lack of knowledge on the operation of the NHIS. Retirees should remain active and lively in retirement as possible. Take much exercise as their body permits. Weight should be continuously monitored so that they remain within the range of the weight appropriate to their height. Over-loading the heart by carrying excess weight is discouraged. All retirees should ensure to have full medical examination at intervals.

The study reveals that there is a break in relationship between the retired staff and Management of the Hospital. This is observed in the area of break in communication between the retired staff and the Hospital Management. Since they have retired, Management is no more in contact with them nor get involved in their welfare matters. It is the opinion of this study that since the retired staff contributed positively to the growth, development and effective healthcare services of the Hospital, it is the place of Management to reciprocate this with constant life link with the retired staff as well as providing for their well-being, health needs and extending good wishes to them at birthdays and anniversaries. This will promote healthy human relationship, restore good will and promotes sense of belonging between the serving and retired staff of the Hospital. A situation, where the retired staff feels abandoned brings about distress and thinking that their contributions to the Hospital were not recognized. Serving staff of the Hospital should also be advised to keep in touch with the retired staff as this will help them learn from their experience as well as keep hope alive. Management should create a forum where they can invite the retired staff for a meeting. At such fora issues on their economic and social wellbeing can be discussed.

They should also be given opportunity as shareholders to contribute, make observations and suggestions on how to improve and consolidate on the progress of the Hospital. For effective coordination, Website or WhatsApp page can be created for them to enable free flow communication link.

Desperation on the financial needs of some of the retired staff was observed as pension and gratuity could not cater for their family needs. As a result, they stretch harder even more than what they did when they were in active service to earn more income for their family upkeep. This was attributed to high rate of unemployment and incident of late marriages. Most retirees still have their siblings in schools; those that completed school do not have gainful employment. This poses a serious financial treat to the retired staff because instead of their children assisting them they are still depending on their retired parents for education, food, shelter and clothing. Government should create employment opportunities to absorb these youths who are qualified for employment as a relieve to their parents. Youths who are gainfully employed will contribute positively to their families and the society while those who are not will constitute a social misfit or nuisance to the society thereby increasing cases of delinquency.

## RECOMMENDATIONS

In order to achieve a stress free post retirement life the following recommendations have been suggested:

- i. The biblical life span is 70 years and 80 years for those who are strong. Statistics shows that Nigerians live above 90 years; to ensure a fulfilled retirement there is need for early retirement planning. Adequate planning enhances successful retirement life.
- ii. Workers should have their pension plan in addition to the government pension plan which is always distressful due to bureaucracy. The study adopts the recommendation of kolawole et al (2004), which states that where adequate planning are nursed, frustration and anxiety in retirement will be eliminated. It is equally observed around the globe that workers who fail to plan for retirement always experience some avoidable problems in post-retirement life, such as:
  - state of boredom
  - a condition of financial anxiety
  - distress
  - loss of contact or social relation with colleagues
  - feeling of dissatisfaction and unfulfilled life
  - often experience psychosomatic and phobic reaction.
- iii. In a workers retirement plan, he should consider the number of children he can cater for vis-à-vis his monthly income. Workers should avoid having children close to their retirement period as this will lead to financial distress and load.
- iv. Financial planning is very essential in retirement planning; accordingly retirees should invest properly in productive scheme like skill acquisition, consultancy services invest in small scale businesses, part-time services, establish businesses in the retirees own area of specialization.
- v. Retirees should ensure that they remain physically fit and mentally alert. Ensuring good health is the function of individual habits, attitude and lifestyles. Regular exercise, drinking water and minimizing alcohol intake, good feeding habits by developing a dietary eating plan with emphasis on fruits, vegetables, low fatty food and less intake of red meat can keep body and mind healthy. Due to old age, health challenges could increase. Welfare scheme and social security for the aged should be introduced, the package could include health insurance and free medical services for the retirees.
- vi. Barnett (2011), agrees that planning for retirement and improving one's life is never too late. She suggested ten ways retirees can find happiness in retirement which this study adopts as follows:
  - Be open and receptive. Change your attitude and you will change your life. Retirement is just another chapter of your life that you should enjoy if you are open and receptive to doing so. It is a time to chase your ambitions, aspirations and make your hopes come true.
  - Plan physical and mental activities. An engaged mind is a joyous mind. By remaining healthy and psychologically active, you will lift your spirits and you will be pleased.
  - Laugh and have a fun time. Don't take yourself so seriously. By having fun and living life not too seriously, you can boost your attitude and make everybody around you cheerful.
  - Be a little extroverted. Spread your joy with those around you, who love you and care about you. By sharing your deepest fear and feelings, you can positively influence your psychological state.

- Devote quality time with loved ones. Now that you are retired, you even have more time to spend with those you love. Plan informative engagements or throw get-togethers for people around.
  - Take up inspiring activities. Decipher the things that motivate you most and engage yourself in them.
  - Develop your intelligence. An informed mind is a joyous mind. By increasing your knowledge, you can become cheerful.
  - Remember that little things mean a lot. Be nice to people and you will feel good about yourself. Engage in volunteering activity.
  - Fulfill your dream. Consider fulfilling those dreams you have shelved on your way to building a career for yourself. This can be very satisfying.
- vii. Maintain a positive mental attitude. Do not become stagnated just because you are no longer working. This is the fastest way to breakdown. Maintain a youthful attitude. Remain active mentally and physically and take up some hobby.
- viii. The Federal Government in collaboration with the Private sectors should establish a Ministry or Agency for the Retired people at the Federal and State levels. The objective of this is to look into the socio-economic wellbeing as well as the health needs of all retirees in Nigeria.
- ix. Retirees should be celebrated by both the Federal and State Governments including the places of their last assignments as labour veterans with good welfare packages and visits at home.
- x. Enlightenment workshops and seminars should be organized by the Governments and Private Sectors to educate workers on the need to plan early for retirement. In the training programme, emphasis should be placed on attitudinal change, among others, to enable retirees see retirement as a career change and a transition to another phase of life.
- xi. Employees should be encouraged to open retirement saving account with a reputable financial Institution. This should be done early while in service.
- xii. Government at the state and federal levels should, from time to time, review its pension and gratuity laws to reflect the inflationary exchange rate and other changing trends in the country. Also, gratuity and pension should be tax free.
- xiii. The Nigerian Government should work towards reducing to the barest level the rate of unemployment in the Country. Most retirees lamented that their children instead of being a source of help were still depending on them and this contributed to their financial hardship after retirement.
- xix. Government should review the operation, number and rate of screening and verification exercises for the Retirees as it has negative effects on their health and finances. Rather, a sophisticated method using modern scientific technology and gadgets should be used in the documentation and screening of the retirees. Proper record keeping should be ensured to minimize the frequency of pension screening and verification as well as ghost pensioners. Pension Officers should be trained always to equip them for the challenges associated with pension reforms.
- xx. Government should work out a framework to address the issue of corruption that bedevil the payment of pension and gratuity to retiring officers. Law enforcement Agencies like EFCC and ICPC should investigate cases of corruption in the management of pension and gratuity payments and bring those found culpable to book. Also, proper legislation should be enacted by government to guide the process of pension administration in Nigeria.
- xxi. Adequate budgetary allocation should be given to Universities and Research Institutes to conduct research on the proper method of pension administration in line with internationally best practices on how to have a good retirement plan for the country.

## **CONCLUSION**

Retirement should not be seen from the negative perspective but as a positive process in life. Some people become wealthier in their post-retirement life because they pursued it vigorously with positive

plans. Retirement from active service is sure in the life of all Public Officers and they know this very well but do not prepare for such exist. Relying on government for a better and comprehensive retirement plan has always failed. However, efforts have been made by all tiers of government to pay pension entitlement of workers. It is the hope of this study that the process of this payment which is normally characterized by serious administrative bottlenecks will improve in future. The need for retirement counseling for the existing public servants cannot be over emphasized as it guarantees productive retiring days. Equally, retired public servants should be encouraged to undertake private counseling programmes to prepare themselves better for the post-retirement life. In addition to Pension Reform Act of 2004, government should be proactive and workout adequate policy to plan for life after retirement since there is a significant difference between life in service and life after service.

Retirees should be encouraged to invest in productive ventures and assets management programmes to enable them generate more income after service. They should also be motivated to undergo continuous education and skills acquisition training to prepare affectively for life after service. At retirement, all retirees should take full control of their new career, financial life, mental shift, maintain self-discipline and keep good relationship with all people.

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