

Postmortem Analysis of the Old Pension Scheme in Nigeria for Historical Archival Documentation (1979-2000)

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Abstract

The old pension scheme in Nigeria which became effective April 1974, but was backed up by an enabling law in 1979, was fraught with problems of different magnitudes and complexities. For example, the findings of the study indicate that lack of accountability, transparency, mismanagement of funds and corruption to mention but a few were very rampant and consequently denied the retirees the payment of their benefits and other legitimate entitlements on retirement. The resultant negative effects on the retirees were many and best imagined than experienced. For instance, many retirees died out of shock, heart attack, stress on regular calls for verification of pensioners and other serious life threatening hardships to which they were subjected simply to be eligible to be paid the so-called gratuity and pension in Nigeria, which they were never paid and the money eventually end up in the bank accounts of the public officers that supposedly manage the pension funds on behalf of the retirees. Consequently, the new pension scheme was introduced in 2004, by the Administration of President Olusegun Obasanjo to effectively address the inherent pitfalls identified with the old pension scheme which made its administration and management very difficult, if not impossible. The present study is an attempt to document for scholars and researchers, the Government structure, regulations and the dynamic nature of the old pension's administration in Nigeria for historical, archival significance. The findings and recommendations of the study, it is believed will help to improve the current pension administration introduced in the country in 2004.

Introduction

The purpose of a pension scheme is to provide the employees of an organization with a means of securing, on retirement, a standard of living reasonably consistent with that they enjoyed while in service. In effect, it is the totality of plans, procedures and legal processes of securing and setting aside of funds to meet the social obligation of care which employers owe their employees on retirement or in case of death. A good scheme serves as an incentive to new employees and helps to hold back experienced staff. It is, therefore, the responsibility of a good employer to articulate and design a good pension plan that will motivate staff. In this discussion, we shall examine the legal framework as a basis for pension administration. We shall also see what regular measures government continues to put in place to ensure that retirement benefits are enhanced for both pensioners and active workers who are about to enter the pension pay-roll.



Brief Historical Background

A brief historical review of the concept and development of pensions in the Nigerian Public Service is necessary in order to properly situate the subject of this discussion. It is significant to note that the establishment of pension schemes is not a creation of modern times. The first pension legislation in this country was enacted in 1951, referred to then as the Pension Ordinance. Although the ordinance was promulgated in 1951, it had retrospective effect from 1st January 1946. The colonial pension's law was primarily designed for the United Kingdom officers, who were moved from post in the vast British Empire. The intention was to ensure that they maintained continuity of service wherever and whenever they were sent to serve. When the law became applicable to indigenous staff, it had limited application to the extent that it was granted at the pleasure of the Governor-General under the ordinance. Therefore, pension was not an automatic right of Nigerians. It could be withheld at the flimsiest excuse.

Federal Government Powers to Legislate on Pensions

In exercise of the exclusive powers of the Federal Government over matters relating to pensions and gratuity, the Pensions Act No. 102 of 1979 (now CAP 346, Laws of the Federation of Nigeria, 1990) was enacted with a commencement date of 1st April 1974. The Act consolidated all enactments on pensions and incorporated pensions and gratuity scales devised for public officers by the Udoji Public Service Review Commission in 1974. The Pensions Act 102 of 1979 is the basic pension law, from which other pension laws in the public service of Nigeria have developed. The other laws which cater for specific professional groups but retain the main ingredients of Act 102 of 1979 are:

- (i) The Armed Forces Pensions Act No. 103 of 1979;
- (ii) The Pensions Rights of Judges Act No. 5 of 1985 and the Amendment Acts No. 51 of 1988, 29 of 1991 and 62 of 1991.

The Pensions Act No. 103 of 1979 like its counterpart No. 102 of 1979 consolidated all enactments dealing with pensions, disability benefits and gratuities scales devised for the Armed Forces.

At the level of parastatals and government owned companies, the Pension Rules are a replica of the Pensions Act No. 102 of 1979. The major difference is the numbering of the provisions. In addition to the provisions of the Pensions Act, various circulars generally guide the administration of pension in the Public Service on pensions, rules, regulations and general guidelines issued from time to time. It is the policy of the Federal Government that Public Service Organizations (Parastatals, Corporations, Universities and other tertiary institutions) established by Decree in the Federal and Edict in the States should operate Pension Schemes similar to what obtains in the Civil Service. Local government by the instruments establishing them is also required to set up pension schemes for their staff. You would recall that at paragraph 115 of the White Paper on the Public Service Review Commission Report of 1974, Government accepted the recommendation that service with the Statutory Corporations and State owned companies which provided pension schemes compatible with those for public servants and teachers should count as continuous if an employee moved to one of the Government services and vice versa. Section 24 of the Pensions Act No. 102 of 1979 defines "Public Service" or "Service" as a service under the Government of Federation in a civil



capacity or such other service in any organization specified in Schedule 2 to the Act. Schedule 2 of that Act shows a list of organizations already declared public service. The list is regularly updated through publications in the Federal Government Gazette. Every Government owned organization is expected to be listed under that schedule so as to retain the status of a public service. The importance of this was further amplified by the issuance of Establishment Circular 8 of 1976, 8 of 1979 and 8 of 1981.

Major Provisions of the Pensions Decree No. 102 of 1979 Relating to the Administration of Pensions

1) Eligibility

The Pensions Act provides that only employees on permanent and pensionable appointment are entitled to receive retirement benefits if they retire from the service in pensionable circumstances. Persons who are under the age of 15 years are not eligible for appointment on permanent and pensionable terms in the public service. At the other end of the spectrum, persons who are over 45 years old shall not be employed on permanent and pensionable terms (Now 50 years in accordance with the new PSR 02205).

2) Circumstances under which Pensions and Gratuity may not be Granted

Section 3(1) and (2) of the Pensions Act No. 102 of 1979 stipulate the circumstances in which pension and gratuity may be granted as follows:

- (a) On voluntary retirement or withdrawal after qualifying service;
- (b) On attaining maximum statutory age of 60 years or length of service for retirement, that is 35 years;
- (c) On compulsory retirement for the purpose of facilitating improvements in the organization or the officer's department or ministry so that greater efficiency or economy may be effected;
- (d) On the advice of a properly constituted Medical Board certifying that the officer is no longer mentally or physically capable of carrying out the functions of his office;
- (e) On total or permanent disablement while in service;
- (f) On abolition of office under Section 7 of the Pensions Act No. 102 of 1979;
- (g) Compulsory retirement in the public interest: where an officer is compulsorily retired for the reasons stated in (c) to (g) above, he shall be entitled to pensions immediately on retirement, notwithstanding that he has not attained the age of 45 years now 50 years as provided at Rule 02205 (a) of the new Public Service Rule (public interest is as defined in new PSR 04601).

3) Approximation of Length of Service

Under Section 1(2)(b) of the Pensions Act, any period of service (over six months and) not included in a completed year shall for the purpose of Schedule 1 to the Pensions Decree as relates to officers entitled to pension count as one year. In effect, approximation can only be applied to officers who have qualified for the award of pension in the first instance (i.e. having attained the qualifying period of 10 years).



4) *Qualifying Service*

The qualifying service for gratuity is now 5 years, while pension is 10 full years. An officer, who retires voluntarily, cannot draw pension until he *attains the age of forty-five years* (now 50 years in accordance with the new PSR 02205a).

Pension and Gratuity where an Officer Dies in Service

Where an officer dies in service after completing the minimum period of qualifying service his designated next-of-kin or legal representative would be paid such pension as would have been payable to the officer if he or she had retired at the date of his death. Section 5 limits the pension to 5 years. If such an officer died before he completed the qualifying period of service his personal representative shall only be entitled to one-year salary.

Pension and Gratuity where an Officer is Killed in the Course of Duty

Where an officer dies in the course of his official duty and without his own fault, there shall be paid to his next-of-kin or designated survivors a gratuity to which the officer would have been entitled at the date of his death: in addition to the gratuity which shall be paid to his beneficiaries, there shall be granted:

- a) To the widow a pension for life while unmarried and of good character at the rate not exceeding one-third of the deceased officers accrued pension at the date of his death.
- b) If the deceased leaves a widow and a child or children, a pension in respect of each child, until such child attains the age of 18 years, an amount not exceeding one-ninth of the deceased officer's total annual emolument.
- c) Where the deceased leaves only one child, that child shall be entitled to two thirds of the deceased officer's accrued pension until he attains the age of 18 years.
- d) Where the deceased officer leaves a child or children and the widow subsequently dies, a pension in respect of each child after the death of the widow may be effective when such child attains the age of 18 years, on one-sixth of the accrued pension of the deceased officer.

Please note that:

- 1) The payment of this class of pensions is limited to six children.
- 2) A pension granted to a female child shall cease when she gets married before attaining 18 years of age.
- 3) Where the deceased officer leaves more than one widow, a pension shall be granted to one or more of such widows not exceeding in the aggregate the total value of the pension, which might be granted to a sole widow.

For the purpose of this section of the Act, the word "child" includes:

- (a) A posthumous child
- (b) A child born out of wedlock; and
- (c) A stepchild adopted in a manner recognized by law (including customary or Moslem law) before the death of the officer and where that child is designated a survivor under the Act.



Abolition of Office

Section 7 on the abolition of office is an area that needs clarification. Where due to reorganization in a Department, a specific office, post or appointment is abolished and the officer affected by such an exercise cannot be transferred to another office in the public service, the officer may be required to retire on three months notice of such requirements being given to him. It should be noted that the emphasis here is on the abolition of office and not just reorganization. An office whose office is abolished and has served a minimum qualifying period shall be entitled to benefits stipulated in Table "B" of the Pensions Act, plus 10 percent as compensation for premature retirement. However, the retirement award shall not exceed 80 percent of his terminal salary as pension and 300 percent of his terminal salary as gratuity. Terminal salary here means total annual emolument.

Pension and Gratuity Paid to Missing Officer's Survivors

Section 10 of the Decree provides that where an officer is missing and is not found within a period of one year and it is concluded that it is reasonable to presume that he has died, his next-of-kin or designated survivors will be paid such pension and gratuity as would have been payable to him if he had retired at the date he was declared missing. The claim for benefits under this provision has to be accompanied by:

- (1) A police report about his presumed loss;
- (2) Newspaper publication about the missing person;
- (3) Report of the dependants/next-of-kin.

On receipt of such report, an inquiry is set up headed by a nominee of the office of Establishments and Management Services. A search is conducted up to the officer's hometown. Where the person is not found, he is declared dead and approval is given for the payment of benefits to his next-of-kin or designated survivors.

Retirement at 35 Years Service or 60 Years of Age

By the provisions of Circular Ref. No. B. 63216/S.1 IX of 20th August, 1999, the Federal Government approved the restoration of the 35 years rule as a condition for retirement with effect from 1st September, 1999. Accordingly, every officer who attained the age of 60 years or 35 years of pensionable service, whichever came earlier was asked to retire. The rule now requires every officer to give six months notice prior to the effective date of his retirement to ensure that his entitlements are paid to him as he leaves the service. Where an officer, for whatever reason, stays in service beyond the date he/she is expected to retire, all emoluments earned by him/her thereafter shall be deducted from his/her retirement benefits and he/she shall in addition face other severe disciplinary actions.

Section 8 stipulates that pension and gratuity are not assignable or transferable. It is also not liable to be withheld, sequestered or levied upon except for the purpose of recovering debts due to the Federal Government, e.g. housing loans, touring advance, motor vehicle advance, over-payment of salaries, etc.



Withdrawal from Service

Section 21(1) makes it mandatory for officers who have served for 10 years or more in a pensionable post to give three months notice of their intention to retire or pay three months salary in lieu of notice. Where an officer wishes to withdraw from service after serving for less than 10 years but more than 5 years he shall be required to give one month notice of his intention to do so or pay one month salary in lieu of notice.

Calculation of Pension Benefit/Gratuity

The public service pension scheme is based on a defined benefit structured if an officer retires from service, and provided he has served the qualifying period for pension, he shall be entitled from the pensions fund to a lump sum gratuity and a pension for life payable on monthly installments. The public service pension scheme in Nigeria used to be non-contributory. However with effect from 2004 a public officer is required to contribute about 7.5 percent of his salary monthly for his pension. A retiree is entitled to a maximum of 300 percent of his total annual emolument as gratuity for 35 years and 80 percent for pension. In recent times the levels of benefits have been revised upwards in favour of some cadres and professional groups. Decree No. 5 of 1985 awards a Judge 100 percent of his total emolument after serving for fifteen continuous years as a Judge of the High Court.

In the case of academic staff of universities, Decree 11 of 1993 stipulates that a person who retires as a Professor in the university or has been continuously in the service of a university in Nigeria up to retiring age shall be entitled to 100 percent of his terminal annual emolument as pension like in the Armed Forces, where service chiefs, including the Inspector-General of Police, take 100 percent of their total emolument as pension.

Scale of Benefits

The Civil Service pension is a defined benefit scheme. The scale of benefits as graduated is already known based on the officer's length of pensionable service. The computation of an officer's benefits is based on his total annual emolument. It is basically computed based on the table below:

Retirement Benefits Table

Years of Qualifying Service	Gratuity as percentage of final total emolument	Pension as percentage of final total emolument
5	100	-
6	108	-
7	116	-
8	124	-
9	132	-
10	100	30
11	108	32
12	116	34
13	124	36
14	132	38
15	140	40
16	148	42
17	156	44
18	164	46
19	172	48



20	180	50
21	188	52
22	196	54
23	204	56
24	212	58
25	220	60
26	228	62
27	236	64
28	244	66
29	252	68
30	260	70
31	268	72
32	276	74
33	284	76
34	292	78
35	300	80

Decentralization of the Payment of Gratuities

In accordance with the provisions of Circular No. B49951/S.4/VI/337 of 21st August, 1985, the payment of gratuities was decentralized. Each Ministry, Extra-Ministerial Department is expected to apply to the Establishment and Management Services office for funds to settle the gratuities of its retiring staff. The objective was to remove the bureaucratic bottleneck experienced when the Establishment and Pensions Office paid all pension and gratuity. The Ministry, Extra-Ministerial Department is expected to ensure prompt utilization of the funds so provided to settle all gratuities due to its officers and give account of how the funds were applied. Until a proper account was made of the funds previously released, the Ministry or Extra-Ministerial Department may not receive further funds from the Establishment and Pensions Office.

Reimbursement of Federal Share of Gratuity and Pension to States and other Agencies

The provisions of Section 15 of the Pensions Act No. 102 of 1979 stipulates that “where an officer in pensionable service transfers from the public or voluntary Agency Teaching Service within the Federation or vice versa, he shall in respect of his service in each Public Services concerned be entitled to pension and gratuity apportioned among the various public services concerned in such proportion as correspond with the duration of his service in each of the respective public services concerned.” In all cases of apportionment, the existing practice is for the last employer to pay the retirement benefits in the first instance and later seek reimbursement from previous employers.

It should be noted that the Federal Government assumed responsibility for payment of retirement benefits of the states up to 31st March, 1975. Since this provision was enshrined in the Decree, the Federal Government has continued to fulfill its obligation to all the states including the newly created ones. The amazing scenario is that the burden of reimbursing the states is becoming almost unbearable given the current climate of dwindling resources.

Continuous Public Service

For the purpose of computation and payment of benefits under the Pension’s Decree, it is only continuous and unbroken period of public service that shall be taken into account. Where an



officer resigns his appointment for the purpose of pursuing a course of studies and is subsequently reemployed in the public service, the break in his service may be condoned where a break in service is caused by temporary suspension from employment which did not arise from an officer's misconduct, it would be disregarded for the calculation of qualifying service. Furthermore, where an officer had retired from the service without a pension on account of ill health, abolition of office or reorganization for the purpose of effecting greater efficiency or economy, he could be reemployed on pensionable terms. Cases of merging of service arise where a person leaves service and is subsequently reemployed in the public service. Where an officer obtains approval for study leave with or without pay and he returns to the service immediately on completion of his studies, there is no break in his service. However, there had been cases where officers resigned due to ignorance, or moved from a scheduled to a non-scheduled organization in the public service or had served in the private sector, which breaks out is uncontrollable. This aspect of the law, which has, requires for condonation/merger of service have often been rejected due to one technical reason or the other and more often than not, those concerned retire without pension.

Recent Developments Affecting Pension Administration

Following the recommendations of the National Council on Establishment, government has approved a review of the retirement benefits of Heads of Service and Permanent Secretaries as follows:

(1) Head of Service

Officers appointed from the Civil Service to the post of Head of Service shall now earn 100 percent of their total annual emolument as pension for life.

(2) Permanent Secretaries

Permanent Secretaries who have put in minimum of twenty years of pensionable service shall earn 100 percent of their total annual emolument as pension for life. The above is in accordance with Establishment Circular Ref. No. B.63216/S.1/X/757 of 23rd June, 1998, on the "Review of Terminal Benefits for Heads of Service and Permanent Secretaries."

Clarification on Payment of Retirement Benefits for Officers Who Retired between 1st September to 31st December, 1998

You will recall that the Federal Government issued Circular No. SWC 04/551 of 28th August, 1998, which for the first time, enhanced the total take home pay of Federal Public Servants. The Circular was withdrawn after three months of its operation. The Circular referred to was finally superseded by Circular SCW.04/808 of 29th March, 1999, which took effect from 1st January, 1999. The Circular then fixed the minimum wage of ₦3,500. However, some officers retired between September 1st and December 31st, 1998. The issue then was how would their retirement benefits be computed given the fact that the computation of an officer's retirement benefits is calculated based on his total annual emolument. In order to obviate this problem, government in its wisdom issued Circular Ref. PNA.12301/S.130 of 9th November, 1999, which states *inter alia*, that:



- (a) The computation of the gratuity payable to officers who retired between 1st September and 31st December, 1998, shall be based on the salary structure prevailing at that time, that is in accordance with the provisions of National Salaries, Incomes and Wages Commission Circular No. SWC.04/551 of 28th August, 1998.
- (b) However, the computation of the pension payable to such officers shall be based on the salary scales in Circular No. SWC.04/808 of 29th March, 1999, which took effect from 1st January 1999.

Retirement Benefits for Medical and Para-Medical Staff in Voluntary Agency Hospitals taken over by State Government

Under the existing rules and in accordance with Circular Ref. No. PEN33548/Vol.II/388 of 5th July 1979, the service of all medical and para-medical staff in voluntary agency hospitals taken over by Government is counted with their present service, if there was no break as qualifying service, but not as pensionable service. Following the recommendation of the 24th Meeting of the National Council on Establishments held in September, 1999, Government has approved that the service rendered by medical and para-medical staff in voluntary agency hospitals subsequently taken over by Government will now be pensionable, if there was no uncontainable break in service. This new policy took effect from 1st January 2000 in addition to the provisions supersede Circular No. PEN.35548/Vol. III/3888 of 5th July, 1997.

Harmonized Public Service Salary Structure (HAPSSS) and Allowances for the Federal Public Service

On 5th May 2000, Circular No. SWC.04/Vol.IV/991 was issued. This Circular harmonized the salary structure and allowances in the Public Service. The effective date of the Circular was 1st May, 2000. The new structure of allowances is as shown below:

Harmonized Allowances for the Federal Public Service Effective 1st May, 2000

S/No	Types of Allowances	Grade Level		Rate per Month (₦)
		01	06	
1	Transport	07	10	1,100
		12	14	1,450
		15	17	1,700
				2,000
2	Meal Subsidy	01	06	500
		07	10	700
		12	14	800
		15	17	900
3	Utility	01	06	300
		07	10	500
		12	14	650
		15	17	800
4	Entertainment	15		700
		16	17	900
5	Domestic Servant	15		2 Domestic Servant on GL. 03 ^s
		16	17	3 Domestic Servant on GL. 03 ^s

Note:

- 1) Rent subsidy is payable only to qualified staff at the rate of 40 percent of Annual Basic Salary.
- 2) Leave Grant is payable at the rate of 10 percent of Annual Basic Salary



The implication of this is that the computation of the benefits of an officer who retired from 1st May 2000 will be based on the total annual emoluments as enunciated in the circular referred to above. It is pertinent to state that the same table of allowance applies to tertiary institutions as provided in Circular SWC.04/ Vol. IV/1000 of 5th May 2000, "Harmonized Tertiary Institutions Salary Structure (HATISS) and Allowances in the Federal Public Service."

Harmonization of Pensions

On 30th January 1997, Establishment Circular Ref. No. B.63216/S.1/X/13/ 105 of 30th January 1997 was issued which approved the harmonization of pensions of officers who retired before 1st January 1991. This class of pensioners had their pensions computed based on terminal salary only in line with the pensions of officers who retired after 1st January, 1999, the pension of officers on pay-roll before that date were harmonized to bring them at par with their counterparts who retired thereafter. The action by the Federal Government went a long way to improve the earning capacity of these pensioners.

Increase in Pension Rates

It is the policy of the Federal Government that whenever there is a review in the remuneration of workers, there will be a corresponding revision of pension rates. In line with this policy, Circulars SWC/S/04/S.8/25 of 11th May 1999 and B.63216/S.1/X/1 of 19th July, 1999 increased pension rates by 150 percent and 30 percent respectively. Most recently, Circular SWC/04/Vol. IV/1011 of 7th May 2000 increased pension rates by 14 percent. The increases no doubt enhanced the earning capacity of retired officers.

Some Establishment Actions that Facilitate the Processing of Retirement Benefits

(1) Change of Next-of-kin

In accordance with the provisions of Circular 9/1980, serving officers are allowed to update their recorded next-of-kin, that may lead to unpleasant consequences after the officer's demise.

(2) Change of Date of Birth

Only the date of birth recorded at the time of entry into the service is acceptable for processing pension. However, during the currency of one's service an application for change of date of birth will be processed subject to the submission of Birth Certificate issued at time of birth.



(3) Change of Name/Marital Status

Any change of name should be supported by an Affidavit duly sworn to by the declarant, a newspaper publication that should be forwarded for updating of the officer's records. In the case of a female officer who has married, the application should be accompanied by the Marriage Certificate and if under Native Law and Custom an Affidavit sworn to by an elderly person who witnessed the ceremony or a Clergyman or Imam who performed the ceremony.

(4) Compulsory Retirement

An officer who is compulsorily retired is entitled to receive payment of 3 months salary in lieu of notice.

(5) 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.

(6) No Extension of Pensionable Service after Attaining the Statutory Age

There is no provision in the extant laws/circulars for extension of pensionable service after the statutory age of 60 years or 35 years of service whichever comes earlier. Officers affected are expected to retire from service.

(7) Effect of Recall/Withdrawal of Letter of Retirement/Withdrawal/Resignation

A person who wishes to cancel/withdraw his notice of retirement/withdrawal/resignation should do so within the period of the notice or before the expiration of the notice, otherwise such request to withdraw will be of no effect.

(8) Conversion of Resignation to Withdrawal/Retirement

There is no provision in the Pensions Act or Civil Service Rules that permits the conversion of *Resignation* to *Withdrawal/Retirement*; the length of pensionable service notwithstanding after the notice has expired. It should be noted that any service rendered prior to resignation would not be reckoned with on reengagement, unless the break has been condoned.

(9) Effect of Resignation of Pensionable Service

An officer who resigns his pensionable appointment, his length of service notwithstanding forfeits his right to all benefits (PSR 02804(b)).

(10) Injury/Compensation/Incapacity Pension

A person who sustains injuries in the actual performance of his duties that results in partial/total incapacitation of any part of his body without his own fault and who is certified by the appropriate medical authority and who is recommended for benefits by a medical board may be considered for compensation injury pension.



(11) Death that Occurs within a Guaranteed Period

Where a pensioner dies before the expiration of 5 years in retirement, the beneficiaries/survivor/estate will be entitled to the balance of the unearned pension. Payment is made by submission of –

- (a) An application to that effect;
- (b) Stamped death certificate/letter of administration.

On receipt of the application, the recorded next-of-kin is ascertained from the Record of Service maintained in the Central Records. The file is thereafter referred to the pensions accounts for the payment of guaranteed pension to the recognized beneficiaries.

Individual Pension Arrangements

Apart from those in the public and some private sectors of the economy, majority of Nigerians have nothing to look up to at old age. Efforts by some organizations to establish pension schemes for their staff are yielding good result. The time has come for individuals to draw up their own pension plans. In this connection, the experiment on “Additional Voluntary Contributions” which is highly successful in the United Kingdom can be replicated here. By patronizing such a scheme, individuals make voluntary contributions to private pension schemes, which would augment the pensions they earn from the state funded schemes. Both the public and private sector have to collaborate in this effort to introduce flexible products and suitable arrangement with maximum yield.

Government should introduce legislation that would make it difficult for individuals to lose contributions without adequate compensation.

Conclusion

It should be noted that the old Pensions Act was promulgated in 1979 as a Decree. There is no doubt that some provisions of the Act and other enabling pieces of legislation need to reflect modern day realities. However, circulars and regulations had been issued from time to time to update some of the outdated legal provisions.

Payment of pension is a retirees’ inalienable right as pensions is guaranteed for life. Government should therefore ensure that pensions are promptly paid to pensioners. This is the only way the nation could appreciate the retiree’s invaluable contribution to the development of Nigeria. The problem is being addressed under the new contributory pension scheme introduced in 2004.



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