International Journal of Public Policy and Administrative Studies, 11(4):19-31
ISSN: 2384-5578. December, 2020

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Assessment of Pension Administration Policy and its Impact on Public Servants and Retirees in Nigeria

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Abstract: *It is expected that pension should be a regular payment to a former employee following the person's retirement from active working life to ensure the well-being of the retiree and that of his/her dependants. Pension benefit may take the form of a lump sum, also known as gratuity or periodic payment made at stipulated periods. If effectively administered, pension is a scheme that its benefits to a retiree as source of income and even someone in active service as a motivational factor for performance is not in doubt. The situation of retirees in Nigeria has left many in doubt about the viability of the pension policy, hence, the desire for this study to bridge the gap. To achieve the purpose of this paper, secondary sources of data collection were used which enabled us assess the pension administration policy and the impact it has on both retirees and those in active service. Based on the analysis, the paper suspected a pitiable state of pension scheme in Nigeria due to massive corruption which left retirees in a misery situation that sent many to untimely grave. The paper also found the poor state of pensioners currently in Nigeria as being capable reducing the desire to perform among those in active public service as well as breeding excessive corruption. The paper therefore, recommended that Punishments should also be meted out to those who steal pensioner's funds to prevent others who may have the mind and the erring operators to forestall more pension scams in the nation. Not only that, PENCOM too is advised to improve on the delivery of its services; avoid unnecessary bottlenecks in processing pensioner's entitlements, invest pension funds in viable investments to ensure prompt and regular payments to the pensioners, and make the services mobile as much as possible.*

Keywords*: Public Pension, Policy, Retiree*

Introduction

Retirement and pension systems are crucial elements of almost every contemporary welfare system. It is on the basis of these welfare arrangements that old age as a separate and not only residual life stage became part of the lives of a majority of people – retirement is part of the modern institutionalized life course as we know it today (Kohli, 1986). Retirement, or the practice of leaving one's job or ceasing to work after reaching a certain age, has been around since around the 18th century. Prior to the 18th century, humans had an average life expectancy between 26 and 40 years (Gahor & Moav, 2007; 2005). In consequence, only a small percentage of the population reached an age where physical impairments began to be obstacles to working. Countries began to adopt government policies on retirement during the late 19th century and the 20th century, beginning in Germany under Otto von Bismarck (Weisman, 1999). In most developing countries, government restrict working age of public civil servants to prevent an ageing labour force and allowing entrants of young able-bodied labour for increasing efficiency and productivity (Federal Republic of Nigeria Official Gazette, 2004). This is important because as an employee becomes older, his Marginal Physical Productivity of Labour (MPPL) will decline, thus retaining such an employee in the service of the organization will lead to running an organization at a loss. Hence, why the statutory working age in the public service is fixed at sixty (60) years or thirty-five (35) years of unbroken active working service before retirement, but the Retirement Age Harmonization Act of 2012 stamps the retirement age of judicial officers and academic staff of tertiary institutions at 70 and 65years respectively because of the belief that “the older, the wiser” (Maji, 2014). Adeniji, Akinnusi & Falola (2017) asserted that during retirement, a retiree public officer usually receives certain benefits in the form of gratuity and pension. Gratuity is the sum total lump paid to a worker on existing from the service either through withdrawal or retirement, while pension is the sum of annuity paid periodically, usually monthly to a public servant who disengages from service after attaining a specified age limit usually 60 years or 35 years of active service (Ezeani, 2001; Ebosele, 2001). The lump sum or gratuity he is paid is meant to enable the retiree finance any post-retirement endeavour of his choice while the pension replaces the monthly salary the retiree gets while he was still in active serve (Babasola, 2000).

In Nigeria’s 2004 Pension Reform Act, it is termed the “Contributory Pension Scheme”. According to Alo (2004) among the Organisation for Economic Cooperation and Development (OECD) countries, France, Italy and Belgium have turned to tax incentives to encourage private insurers to manage an added tier of retirement, while Germany and Sweden are offering incentives to encourage private savings for retirement. Denmark and Finland, on their part, have made additional savings mandatory. The British government is set now to launch a Pension Protection Fund to safeguard the benefits of workers. The Fund, in its initial operating years is expected to be funded from a flat-rate levy on all firms. Presently, the Costa Rican government is considering a number of radical options to reform its pension system. Interestingly, the United States, which has maintained a relatively stable pension regime since 1983, recently embarked on a study of worldwide pension reforms with a view to fine-tuning its own pension system. It is on this perspective that the Nigeria’s Pension Reform Act 2004 is in line with global practice.

Evidences of Olanrewaju (2011) revealed that public pension rights have the potential to affect old-age mortality mainly through two mechanisms. First, the more generous the pension benefits, the higher the income in the older population. This provides more resources that can be invested in health enhancing products and activities. Second, a more generous pension system may, in addition, have a redistributive impact, thus reducing income differences in society, and particularly amongst the elderly. Of particular importance is the potential of well designed pension programmes to reduce poverty amongst older population (Palme, 2006). Okechukwu, Nebo, & Eze, (2016) opines that “a well funded pension scheme helps to spread the cost of benefits evenly overtime and eliminate the difficulties of economic misfortune. This is achievable if the pension fund scheme is properly managed.” However, in Nigeria, observation from Nwawolo and Nwogwugwu (2017) has revealed that most employees are ignorant of the investment strategies and performance indicators on their contributions. These indicators include the risk factors on the fund to which the contributors or retirees would bear full responsibility in case of poor investment performance. Nwawolo and Nwogwugwu (2017) further explains that the contributors' lack of awareness and participation in the investment of their contributions minimize the opportunity to take decisions to change a non-performing investment portfolio or fund administrator despite the fact that many retirees have to wait for one to two years before receiving their pension lump sum after retirement.

Consequently, the above affect the standard of living of helpless retirees with many of them dying even before accessing their fund. Retirement that was usually referred to as a glorious exit from active service is now anticipated with trepidation. According to Amaike (2016) "ideally, retirement should be a period of rest after years of meritorious service, which is in tandem with the motto of the Nigerian Union of Pensioners which states, 'rest is sweet after labour." Unfortunately, the Nigerian government had not provided the enabling platform for retirees to enjoy their rest after retirement.

Pension

Pension is generally conceived as the sum of money paid regularly by employers to employees who have retired from their service usually as a result of attaining a fixed age limit in service or due to other reasons like sickness, widowhood or disability (Nyong & Duze, 2011). According to Gbitse (2008), pension represents regular payment to a former employee following the persons retirement from active working life to ensure the well-being of the retiree and that of his/her dependants. Pension benefit may take the form of a lump sum, also known as gratuity or periodic payment made at stipulated periods. To further explain its importance, Ayegba, James and Odoh, (2013), view pension as a way of being responsible for the welfare of the retirees.

As also recognised by Egbuta (2001); Fapohunda (2013); Mohammed (2013 and Ali (2014) pension therefore is a source of motivation to employees which minimizes labour turnover drastically and contribute to ethical behaviour and high productivity. While in agreement that pension promotes a saving culture among current employees. Idowu (2009), takes it further as he opines that pension programmes are usually put in place to serve as protection for the elderly and retirees against old-age risks, poverty and other uncertainties. In a way therefore, pension can be viewed as a way to relieve or reduce aging problems for retirees without much dependence on government or family and at same time give hope to current employees.

Ijeoma and Nwufo, (2015) describe pension as a vital social security scheme for employees in both public and private sectors of the economy. Furthermore, they believe it can create or contribute to a better environment for economic growth and development since it connotes improvement on the welfare and standard of living of the citizens of sovereign nations. Following in the same line of reasoning, Adebayo and Dada (2012) explain that pension consists of a lump sum payment to an employee upon his disengagement from active service which provides the employee a level of economic benefit. This is followed with the payment of a monthly stipend to the employee depending on his economic status upon disengagement. To emphasise on its importance, the international labour organisation approves pension either through retirement, old age and survivors' benefit, as one of the solid security attributes (Imhanlahimi & Joseph, 2011).

Retirement

Retirement is defined broadly as the departure event in an individual's life course from a phase of the occupational life cycle (Atchley, 1993, 1996). Rather than a mere withdrawal from paid work, retirement in contemporary social contexts is a complex process inextricably linked with social structures and individual life adjustments. Typically, retirement involves reliance on pension instead of salary as the primary means of financial support and adapting to new options in later life such as leisure pursuits, voluntary activities, and second careers (Szinovacz, 2003).

Retirement is defined as "the fact of stopping work because a worker has reached a particular age" (Hornby, 2001). Also, the term or phenomenon called retirement may be defined as the "termination of one's own employment or career especially when one reaches a certain age or for health reasons" (Garner, 2009). Notably, there are three types of retirement to wit: voluntary, compulsory and mandatory retirements (Madu, 2014). From the definitions of the word retirement herein, it can be gathered that retirement is a statutorily predetermined and fixed period of service by the government. This is usually carried out in consultation with organized labour unions. Be that as it may, the inertia emanating from the major pre-retirement challenges and other conditions could be resolved with attendant alleviation of the inherent fear usually faced by both would-be retirees and actual retirees (Madu, 2014).

Moser (1997) defines retirement as "to withdraw from business or public life so as to live at leisure on ones income, savings or pension". Moser (1997) further explains that for retirement to be successful, prime ingredients must be present: robust health, financial security, and the balance of intellectual, physical, cultural and social activities. Bur (2001) looked at retirement as the act of leaving the service either voluntary or compulsorily where such an employee has completed a specified period of service years or is removed from office by way of compulsory retirement, lay-off, dismissal (for acts of insubordination or misconduct), death, illness, disability or by voluntary withdrawal from service.

Nwachukwu (2000), on his part, defined retirement as a socially accepted means of withdrawing from one's occupation or business in later life to enjoy leisure, freedom or simply to cope with health problems. In his definition, Cole (2002), refers to retirement as 'a period when an employee reaches the end of his working life'. Whatever the definition of retirement, it is very important for any person who works to know that as soon as he or she gains employment, one day he or she will retire and should become conscious of this fact from the onset. Planning is an important component; thinking about the future is a necessary activity.

Theoretical Frame work

The study anchored on Burgess's Activity Theory. Theory was formulated by Tensley and Tenstey (1987) is one of the most popular theories of retirement. The basic assumption of the theory is that individuals with a large number of roles are believed to be better equipped to cope with the loss of single role and interpersonal activity which is regarded as a key feature of successful retirement. New activities tend to compensate for roles that are lost as the individual ages, while leisure values tend to replace work values in maintaining activity level. This theory is relevant to this study because it shows that an individual who suffers job loss will seek for a substitute in order to remain relevant and keep fit which is in line with what pre- retirement planning and counseling is all about. Without activity, the human machine remains unexploited, unchallenged and deteriorates faster than it should.

Pension Administration in Nigeria

Adeniji, *et al*; (2017) maintain that Nigeria being a former colony of Britain received a Pension tradition into her public sector that is entirely modeled after the British structure. The pension system was introduced into Nigeria by the Colonial Administration. The first legislative document on pension in Nigeria was the 1951 Pension Ordinance which had retroactive effect from January 1, 1946. The Ordinance provided public servants with both pension and gratuity. The National Provident Fund (NPF) scheme established in 1961 was the first legislation to address pension matters of private organizations in Nigeria. This was the first social protection scheme for the non-pensionable private sector employees in Nigeria.

Concurrent with Ahmad (2007), pension administration in Nigeria was mainly a saving scheme where both employee and employer contributed certain sum on monthly basis. The scheme provided for only one-off lump sum benefit. The NPF was followed by Armed Forces Pensions Acts No. 103 also of 1972 and by the Pension Acts No. 102 of 1979. Other Pension Acts include; Pension Rights of Judges Act No. 5 of 1985 which states that other than the Chief Justice of Nigeria who has held office as a judicial officer for a period of not less than fifteen years shall be entitled to pension for life at a rate equivalent to his last annual salary plus his consolidated allowances. The Police and other Government Agencies Pension Scheme enacted under Pension Acts No. 75 of 1987, the Local Government Pension edict which culminated in the setting of the Local Government Staff Pension Board of 1987 which was established to take care of pension matters among local government employees.

Balogun (2006) posits that in 1993, the National Social Insurance Trust Fund (NSITF) scheme was set up by Decree No. 73 of 1993 to replace the defunct NPF scheme with effect from 1st July 1994 to cater for employees in private sector of the economy. In 1997, parastatals were allowed to have individual pension arrangements for their staff and appoint Boards of Trustees (BOT) to administer their pension plans as specified in the standard trust deed and rules prepared by the office of head of service of the federation.

The first private sector pension scheme in Nigeria according to Adeniji *et al*; (2017) set up for the employees of the Nigerian Breweries was in 1954. The United African Company (UAC) scheme followed in 1957. Pension scheme is broadly divided into the defined contribution plan and the defined benefits plan. In defined benefit plan, Owojori (2008) observed that the retirement benefits is stipulated usually as a percentage of average salary, but the contribution will vary according to the percentage of the average compensation a participant receives during his or her three earning years under the plan. A major problem of the pension fund administration in Nigeria was the non-payment or delay in the payment of pension and gratuity by the Federal and State governments.

Pension fund administration became a thorny issue with millions of retired Nigerian workers living in abject poverty and they were often neglected and not properly cater for after retirement, (Orifowomo, 2008). Basically, the old scheme has been plagued with lots of challenges and problems. Some of the problems were demographic challenges, funding of outstanding pensions and gratuities, corruption, administrative bottle necks, to mention just a view. However, the problems of the old pension scheme led to the pensions reforms of 2004.

The Pension Reforms Act (PRA) of 2004 as amended in 2014 is the most recent legislation of the Federal Government of Nigeria which is aimed at reforming the pensions system in the country. It encompasses employees in both the public and private sectors. The PRA of 2004 came into being with a view to reducing the difficulties encountered by retirees in Nigeria under the old pension scheme. The new scheme is regulated and supervised by the National Pension Commission. The Commission has the power to formulate, direct and oversee the overall policy on pension matters in Nigeria.

Pension Scheme in Nigeria

The objectives of the scheme according to Section 2, Part 1 of the PRA of 2004 include;

i. Ensure that every person who worked in either the public service of the federation, federal capital territory or private sector receives his retirement benefits as at when due.
ii. Assist improvident individuals by ensuring that they save in order to cater for their livelihood during the old age.
iii. Establish a uniform set of rules, regulations and standards for the administration and payment of retirement benefits for the public service of the federation, federal capital territory or private sector.
iv. Stem the growth of outstanding pension liabilities.

Retirement and Pension in the Public Sector

A number of legislations have been put in place in Nigeria for the management and administration of public service pensions. Sections 17 1, No. 208 and 309 of the constitution of the federal Republic of Nigeria (Promulgation) decree No.12 of 1989 stipulate the protection and regulation of the gratuity and pension rights of employees in the public service at the federal State and local government level and the constitution the primary source of pension laws and regulations the country. The major statutes and statutory regulations for the management and administration of public Service pensions currently in force in Nigeria include:

i. Pension Decree No. 102 of 1979,
ii. Armed Force Pension Decree No. 103 of 1979: and
iii. Local Government Staff Pension Board Edicts Enacted by the various State Government Pursuant to a Presidential Directive of 1987

The Pension Decree No. 102 of 1979

The pension decree No. 102 of 1979 which took retrospective effect from 1st April, 1974, is the main legal instrument governing public service pension scheme at the federal, State and Local government levels. The pension schemes of the various parastatals. Organisation including government institutions of higher learning as well as research institutes operating the University salary Structure (USS) now Harmonized Tertiary Institution Salary Structure (HATISS 111) Scale are also governed by this Decree. It is important to note that legislation on retirement and pension is a dynamic social phenomenon which requires constant review in order to be abreast of the times.

Consequently, Decree No. 102 of 1979 has been subjected to constant review by way of fresh government regulations, directives and administrative circular to bring it up to date with prevailing social economic conditions in the country. For example, in an attempt to alleviate the impoverishment of a certain category of pensioners in the face of spiraling inflation in the country, the Federal Government increased the minimum pension from N3828:075 per anum to N7, 996:80 per annum in line with the level of the minimum wage, effective from 1st October, 1994. The fifteen years period of qualifying service for pension and ten years for gratuity was reduced to ten years and five years respectively, effective from 1st June, 1992. The changes effectively reverted things to the situation on the ground between 1st April, 1974 and March 1977. The same administrative circular also increased the maximum pension for thirty-five years of service from 70% to 80% of final salary.

An earlier review in September, 1991, Stipulated that the calculation and payment of retirement benefit be hence forth be based on the retiring officers total annual emolument rather than just basic terminal annual salary, as originally provide in the pension Decree. A following review conveyed in another Establishment circular of 25th January, 1993, categorized the components of unit of a public officer's total annual emolument.

Pension Reform Act 2004

Pension Reform Act 2004 provides, among others, that the Scheme shall apply to all employees in the Public Service of the Nigerian Federation, Federal Capital Territory and the Private-Sector organizations in which there are five or more employees. During this period all the pension schemes were non contributory, meaning that employees do not contribute from their salaries towards the pension or gratuity. The burden was solely on government and as wave of people joined the rank of pensioners, government soon began to find it difficult to pay. Among the features of the pre 2004 era include assisting improvident individuals to save in order to cater for their livelihood during the old age; establish a uniform set of rules, regulations and standards for the administration and payment of retirement benefits for the public service of the federation, federal capital territory or private sector; stem the growth of outstanding pension liabilities and secure compliance and promote wider coverage; the rate of contribution in Section 9(1) specifies the contribution by the individual in the public service of the Federation and the Federal Capital Territory, a minimum of 7.5% by the employer and a minimum of 7.5% by employee and in the case of military, a minimum of 12.5% by the employer and a minimum of 2.5% by the employee, whereas in other cases, a minimum of 7.5% by the employer and a minimum of 7.5% by the employee. The main concern of the scheme is safety of the fund and the maintenance of fair returns on the amount invested, (Section 72). The need for safety is emphasized in determining the quality of the instrument to invest in and a PFA is expected to adopt a risk management profile in making investment decisions with due regard to the credit rating of companies registered under the investment and securities Acts of 1999.

However, the pre 2004 era was not without its shortcomings among which are differentiation between public and private sector, problem of poor administration, corruption, ineligible pensioners on the pension payroll and inability of government to pay as when due as a result of high number of pensioners. Moreover, the problems identified above brought about reforms which led to the pension 2004 reform act. The passing into law of the contributory pension act of 2004 also known as pension reform act 2004 marked a new era of pension administration, (Olanrewaju, 2011). The act created a unified law for both the public and private pension administration and make contribution towards pension compulsory for both the employer and the employee. The act ensures every person who worked in either the public service or private sector receives his benefits when due and assists improvident individuals to save for the future.

Eme, Uche & Uche (2014) observed that before the enactment of the Pension Reform Act 2004, which establishes a contributory pension scheme for all employees in Nigeria, the country had operated a Defined Benefit (DB) pension scheme, which was largely unfunded and non-contributory. The Scheme led to massive accumulation of pension debt and became unsustainable largely due to lack of adequate and timely budgetary provisions, as well as increases in salaries and pensions. The administration of the scheme was very weak, inefficient, less transparent and cumbersome, leading to bureaucracy and highly liable to corrupt practices.

Pension Reform Act 2014

On July 1st2014, President Goodluck Jonathan signed into law the new Pension Reform Act 2014 which repealed the Pension Reform Act 2004 (repealed Act). The key objective of the reform according to Taiwo (2014) are to ensure contributors receive their benefits as and when due and to assist improvident While the new act is generally a step in the right direction, some of the changes introduced appear not to have been well thought through and some of the changes appear to have been made at the last minute thereby creating some gaps, ambiguities and inconsistencies within the law. According to Taiwo (2014), the advantages of this new reform law are:

i. Withdrawal from Retirement Savings Accounts - The new Act creates another condition in which a contributor maybe allowed to withdraw from his retirement account. An employee who disengages from employment or is disengaged before the age of 50 and is unable to secure employment within 4 months of disengagement is allowed to make withdrawals from the account not exceeding 25%of the total amount credited to the retirement savings account.
ii. Choice of Pension Fund Administrator - Employees continue to have the right to choose their PFA. This right has been extended to cover employees whose employers operate a closed pension scheme. Such employees now have the right to choose an external PFA. Where an employee fails to open a Retirement Savings Account (RSA) within 6 months after assumption of duty, his employer can now request a PFA to open a nominal RSA for such employee for the remittance of his pension contribution.
iii. Investment of pension funds - The Act expands the scope of investments in which pension funds can be invested and this includes specialist investment funds and other financial instruments the Commission (Pension Commission or *PenCom*) may approve. While this is a good thing on one hand, care should be taken not to lose sight of the need to protect and preserve contributors' wealth.
iv. Offences and penalties - The Act includes a few novel provisions with respect to offences and penalties. The Act criminalises an attempt to commit an offence and imposes the same penalty as the offence itself. The penalties form is appropriation have also been increased. In addition to a prison term of 10 years and a fine of three times the amount misappropriated, a convicted person would refund the amount misappropriated as well as forfeit to the federal government any property, asset or fund with accrued interest or the proceeds of any unlawful activity under the Act in his/her possession, custody or control. In addition to the above and with particular reference to Pension Fund Custodians (PFCs), the Act imposes a penalty of at least 10million Naira upon conviction, where the PFC fails to hold the funds to the exclusive preserve of the PFA and PenComor where it applies the funds to meet its own financial obligations (in the case of a director, 5 million Naira or a term of 5 years imprisonment or both).
v. Pension protection fund - A pension protection fund has been created under the new Act to include annual subvention of 1% of the total monthly wage bill payable to employees in the public sector, an annual pension protection levy (the

percentage of which is to be determined by PenCom) and income from investments of the Pension Protection Fund. The objective of the Fund is to guarantee a minimum benefit to contributors in the event of any shortfalls in the investment of pension funds and any if withdrawn within 5 years. Tax is limited only other use PenCom may determine from time to time.

vi. Dispute resolution - Any employee aggrieved with his employer or PFA is obligated to approach PenCom for are dress before exploring arbitration or commencing an action at the National Industrial Court. Under the repealed Act, the avenues for dispute resolution were limited to Arbitration and the Investment and Securities Tribunal.

Impact of Public Pension Administration Policy on Retirees and Public Servants in Nigeria

Different public pension policy were introduced both military and civilian administration in Nigeria to impact positively on workers after retirement, but it is sad to note that one of the reasons why the pension scheme has not achieved it objective because of lack of fund and late payment of pensioners' benefits. These and other palpable reasons make the retirees to live in misery to the extent that some people referred to them as "dead woods". Pension Reform Act of 2004, section 4c stipulates that: "Retirees will have not less than 50% of their last pay as monthly pension as at the date of retirement". Unfortunately, none of the retirees enjoyed this amount since the inception of the Act till date (Kajusola, 2015). Although, Derowoju, (2012) noted that many retirees' benefits are delayed because some of them do not inform their Pension Fund Managers before retirement; this results to late clearance from the employers and incomplete documentation with the PFAs. According to Chilekezi (2005) Due to lack of reliable records of pensioners, huge amount of resources on what became yearly verification exercises were expended which did not result into the timely and efficient payment of pension to the retirees.

Eme, Uche & Uche (2014) it is worthy to note that before the enactment of the Pension Reform Act 2004, which establishes a contributory pension scheme for all employees in Nigeria, the country had operated a Defined Benefit (DB) pension scheme, which was largely unfunded and non-contributory. The Scheme led to massive accumulation of pension debt and became unsustainable largely due to lack of adequate and timely budgetary provisions, as well as increases in salaries and pensions. The administration of the scheme was very weak, inefficient, less transparent and cumbersome, leading to bureaucracy and highly liable to corrupt practices which often impact negatively on the lives of the retirees in terms of denying them access to their pension.

The Federal Government in June 2004 introduced a pension system that is sustainable and has the capacity to achieve the ultimate goal of providing a stable, predictable and adequate source of retirement income for each worker in the country. The Pension Reform Act 2004 ushered in a Contributory Pension Scheme (CPS) that is fully funded, privately managed and based on individual accounts for both the public and private sector employees in Nigeria (National Pension Commission, 2006). The Act also established the National Pension Commission (PenCom) as the sole regulator and supervisor of all pension matters in the country. This new pension scheme lasted for ten years. Within this era, pension scams, low level of coverage and non-remittances of pension deductions led to the tinkering of the scheme and has not been effectively improved the standard of living for retired employees in Nigeria.

Conclusion

Retirement from active service is a phase in life that every worker reach whether planned for or not. Most of the basic challenges experienced by retirees have been outlined as including discrimination by the society, sudden death, health issues among others. Thus, we suggested strategies both at the micro and macro levels to ease the pains and problems associated with retirement, e.g. saving towards retirement, having personal savings account among others. This paper provided an analysis of the nature and design of defined contribution plans, their institutional arrangements as well as the governance structures of the pension policy in Nigeria.

However, because of the challenges of pensioners at life after active service, bearing in mind that pension provision will continue to gain recognition as retirees place less reliance on family to look after them at old age, comprehensive accounting standards for retirement benefits must be established to protect the pension funds. This is when the benefits of the pension reforms can be enjoyed by the beneficiaries and their continuous loyalty guaranteed.

Recommendations

i. Administrative bottlenecks, as well as unnecessary bureaucratic principles should be removed, so as to ensure effective and efficient administrative system of the new scheme.
ii. There is need for government to enlighten the public on the importance of planning towards retirement and the contributory pension scheme. This will go a long way to reduce the stress of having to cope with life after retirement. To deal with the issue of corruption at the pension board, government needs to look at first the organisations that are deducting and not remitting as this seems to be on the increase.
iii. Also contributors should be empowered to compel their employers to remit contributions. Aside from this, government should see to the enforcement of sanctions/penalties in the 2014 pension Acts on defaulting employers so they can comply with the regulations.
iv. Punishments should also be meted out to those who steal pensioner’s funds to prevent others who may have the mind and the erring operators to forestall more pension scams in the nation. Not only that, PENCOM too is advised to improve on the delivery of its services; avoid unnecessary bottlenecks in processing pensioner’s entitlements, invest pension funds in viable investments to ensure prompt and regular payments to the pensioners, and make the services mobile as much as possible.

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