

## An Exposition of the Pension Scheme Management in Nigeria: A Case Study of South-Eastern States

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**Abstract:** To retire is an inevitable event that is bound to happen to every worker in a life time and pension scheme is to provide the employees of an organization with the means of securing on retirement, a standard of living reasonably consistent with that they enjoyed while in service. This is because, at old age man tends to depend on others for assistance and survival, therefore, man has been seeking for ways to make life in old-age meaningful and fulfilled after one has put in his active years in service. Based on the pain, sorrow and problems of retirees in the society (Nigeria), this work seeks to proffer solutions to this age long problem or retirement benefits. This study was conducted using questionnaires and the data analysis for the research was mainly descriptive, which is by the use of Chi-square method. The finding shows that inconsistency in pension polices affect the management of pension. The study thus, concluded that consistency, sincere and honest management of pension fund administration will be the hope of the age long problem of the pension scheme management in Nigeria, hence hope and for better and desirous retirement.

**Keywords:** Pension, Retirement, Pension reform, Nigeria & Pension Fund Administrators

**INTRODUCTION**

Over the years, pension scheme in Nigeria have been faced with many problems. The public service operates a defined benefit scheme, which depended on the annual budgetary allocation, for this, pension became one of the most vulnerable items in budget implementation in all the tiers of the government.

Indeed, even where budgetary provisions are made, inadequate and untimely release of funds, delays and accumulated arrears, however, current arrears of pension payment are only the symptom of a much deeper crisis. Instability and unstable labour policies in the past had endangered massive premature retirements, thus creating an unstable pensioner to active worker ratio. In addition, poor administration, inadequate delivery structures for payment and lack of data base of pensioners have resulted in delaying benefits and consequent destitution of pensioners, adverse publicity in the media and portrayal of society and government as uncaring to the plight of its senior citizens. Such inherent problems of the current pension scheme in the country have given rise to insecurity and appeared to have encouraged corruption in the active workforce.

It is estimated that Nigeria currently carries a pension liability in excess of two trillion naira, with this; the defined benefit scheme cannot be sustained. The Nigeria Railway Corporation is a classic case of unsustainable relationship between the Government and the workers (pensioners). The corporation generates

about N30 million every month but pays N250 million to pensioners and N200 million to its regular workers, then there is the accumulated teachers pensions that are yet to be cleared.

Another clear example is the armed forces that have more pensioners than those in active service. It is therefore, not surprising that the pension crisis in Nigeria has grown very dramatically in the Nigeria Armed Forces, Railway Workers, the teaching service and lots of other parastetals in the public sector. This explains in part why the existing pensions scheme (programme) needs to be turned away from.

The foregoing scenario among others necessitated a re-think of pension administration in Nigeria. Accordingly, this administration has initiated a pension reform in order to address and eliminate the problems associated with the pension scheme. This study therefore is geared towards a comprehensive examination of the pension administration in Nigeria to be able to determine the actual magnitude of pension liability of the country, to identify the sources of

revenue for payment, to fashion out strategies and programmes for effective management of the situation which would lead to the solutions of the problems over time [1].

Based on the above mentioned problems, this study therefore seeks to provide explanations as the nature and magnitude of the pension's problems and then proffer recommendations for the solution of the identified problems.

For convenience sake, since this research work is very interesting sensitive and political, we shall basically confine the scope of study to the "South Eastern Nigeria". However, where the need arise for occasional references to the other more states, especially for comparative purposes based on the research topic. The respondents interviewed for this study were the retired indigenes and non-indigenes Civil/Public Sectors residents of the five Eastern States. It is hoped that their views will tend to reinforce the (global) national applicability of the findings of the study to many other parts of Nigerian States.

#### **RESEARCH QUESTION**

**This study shall be guided by the following research questions:**

- ❖ Do you think that pension in Nigeria has justified its relevance in labour relation?
- ❖ Do you believe that the pension problems in Nigeria are under funding by the Government?
- ❖ Do you suggest that pension matter be the exclusive right of the Governments at all Levels.
- ❖ Do you accept that lack of accurate data is the problem of modern pensions management in Nigeria?
- ❖ Is improper accounting system, corruption and poor budgetary allocation are factors militating against pension management in Nigeria?
- ❖ Can policy inconsistency be a problem to modern pension management in Nigeria?
- ❖ Is it true that economic ups and downs affect management of pension scheme in Nigeria?

#### **REVIEW OF RELATED LITERATURE**

Retirement is the giving up of active participation in a business or other occupations, especially because of advance age, to draw back or seem to do so in life as a result of age. The new standard encyclopaedia, as quoted by Onwuemeodo, [2] states that, retirement is the withdrawal from customary activity in business, industry, Civil Service or other public services. He said that some persons retire voluntarily, others because they have attained the age limit set by employers, by the government or legislation. The retirement age in the Civil Service of Nigeria is set at 60 years or 35 years of service, that of

the judiciary and university lecturers is put at 65 years of age.

Pension, was viewed as a gratuity or reward for loyal service to an employer or government, therefore, pension is generally applied to any periodic retirement income benefit. A pension plan (scheme) is a programme set up by an employer, a labour union, or an government that provides regular income payments to retired persons meeting the conditions set forth in the plan. Onwuemeodo [2], asserts that (pension) retirement is the acknowledgment and appreciation by the employer that his employee has worked very hard for years for which he has to be helped to rest before death comes. It is a way of appreciating the fact that, the worker has worked hard and that he has made appreciable contribution to the growth of the firm, enterprise or establishment. Such a worker therefore, needs shown appreciation by his employer by way of providing the means through which the worker in old age can conveniently maintain himself or herself.

In Nigeria, retirees look up to the period of retirement with nostalgia because their retirement benefits invariably and virtually do not get to them on time or as at when due. The administration of these benefits is bedeviled with several man made problems, necessitating gross misappropriation of pension funds, leading to non-payment of retirement benefits. Many organizations in the organized private sector collect this fund from workers and insensitively refuse to pay legitimate claims to beneficiaries, in fact this is man inhumanity to man, hence, this forms the basis of this work. Pension Act of 2004, seeks to bring hope and smiles on the faces of pensioners and encourage the harnessing of pension benefits. For the new contributory pension scheme to yield the expected dividends, integrity must be imbibed by all those who will implement it as well as stakeholders. People prepares for retirement, by investing in annuities and other forms of insurance policies, but the truth is that, retirement takes many people unawares, it comes to many suddenly when they are ill-prepared for it and such ends up disbalancing many homes/families [3].

Pensions and gratuities are deferred payment for retired workers, this good policies made by the then colonial masters was to encourage the workers. The practice of pension scheme in the public service in Nigeria has over the years been guided by the application of regulations, these regulations are in the forms of decree and circular, in the beginning, the desire to regulate and standardize the practice of pension necessitated the introduction of decree 102 of 1979. It is a basis of pension law from which other pension laws in the public service of Nigeria has developed. The other laws which cater for specific professional groups but which remain the main

ingredients of decree 102 of 1979 are:- the judges have full right, in that they receive their pay packet for life, the armed forces, like the generals in the army equally have the same right like the judges which creates inequity in the Civil Service.

Wuraola [4], said that pension schemes provides for an office to trust, in that, scheme assets are held by persons for the purpose of providing benefits to others at retirement as may have been earned in working through his/her life time. According to him, trusts are often constituted in a DEED. These in conjunction with the scheme, govern the relationship between the parties. In this case, the following are the parties.

- a. The scheme sponsor (government/company or corporations)
- b. The trustees (public servants and organized private entities)
- c. The beneficiaries (current pensioners and existing staff)

However, Circular Ref. No. Pen, 92138/28195 of 30<sup>th</sup> January, 1997 from the office of establishments and management of pension scheme of parastatal funded by the Federal Government was sequel to the increasing concern on the adequacy of pension planning and the growing liability of pensions obligations to the Federal Government arising from this exercise, the following information and documents are required for an efficient operation and monitoring of a pension scheme.

- a. A Standard Trust Deed and Rules
- b. A board of trust for each scheme
- c. Specific responsibilities for the board of trustees
- d. A list of requirements to ensure regular payments of pensions

Wuraola [4], informed further that the trustees shall and will administer and manage the pension fund hold and apply the contributions to be made and any money and property for the time being comprised herein and income thereof for the purpose of carrying the pension fund into execution and constituting, maintaining and administrating the same and the income or other benefits. Highlighting the quantum of responsibility assigned to the Board of Trustees is not lost on the office of establishment, as it has provided in clauses three (3) of the same Deed, the authority for the Board to delegate its investment powers.

❖ “The trustees may delegate such investment powers with Investment expertise and in so doing, shall not be held responsible for any loss occasioned by so doing”. Rather than carry on with the day to day demands of investment and stand the risk of returning sub-optimal earnings, or record an outright loss, we may be guided by Professor Keeton’s submission that, “The suitability of a person to be

trustee depends upon the requirement of the particular trust and the competence that the person has to meet those requirements. Regard have to be given to his judgement, knowledge, skill, experience and integrity.

❖ The Board of Trustees could therefore delegate this function to a competent firm with a full complement of professional who will report periodically on the expected low risk but optimal performance of the funds.

Different types of companies undertake the duties of trustees. These are specialized companies, and there is advantage in appointing such institutions, the principal ones being for:

1. Continuity of administrators
2. It frees resources such as manpower and time to pursue the primary business of the organization.
3. The resources of the trust company are available to make good any breach of trust.
4. It is usually the least expensive as the existing facilities of the mandated firm which serve other clients are utilized.
5. It exposes the scheme to the benefits of current trends through the experience with other scheme.
6. It provides an opportunity for the scheme to earn higher investment yields through the practicing professionals.

Having highlighted some of the benefits of contracting out the provision of administration and management services of the scheme, a choice between a self invested scheme or an insured scheme which follow with a self invested scheme, income earned from investments is fully retained by the scheme, whereas, an insured scheme a part of the scheme’s earning is retained by the insurer and in the event of a premature termination, a surrender value which is less than the total principal contributed is paid.

This depletes the funds available to the insured scheme for further investment diminishes its funds growth, and leads to higher premiums that self invested schemes contributions achieve similar fund sizes.

1. With an insured scheme payment typically are made to agents and brokers who are eventually passed on to the scheme. These parties are not involved in self invested scheme. The resultant delay in the application of their funds leads to a distortion in the actuarial projections of the fund and their expected investment.
2. Self investment scheme are flexible and do not change penalties for modifications or changes, on insured scheme is typically inflexible and contracts are based strictly on the ruling policy documents.
3. In an insured scheme, the scheme policy document protects the insurers interest above the clients, whereas in a self invested scheme records are more

readily available for the employer and employees is a self-invested scheme.

Claims, settlement are usually more timely in a self investment scheme, Aminu [5] and Nafisat [6], in his own view summed it up by highlighting that most pension scheme were under funded, unsustainable, outstanding pension liabilities estimated at N2 trillion, weak and inefficient benefits schemes unsustainable, weak and inefficient and most workers are not covered by any form of retirement benefit arrangements. The researcher sees the summed up reasons of modern pension management as worth mentioning, but added that a lot more should be geared towards changing the pay-as-you-go scheme.

On pension administration, the researcher questions the discriminatory pension handling of the said workers. McCartney [7] put forward by informing that the plan, which came into effect in August 1958, provides a wide range of benefit covering many different situations not just retirement and is approved by the Inland Revenue under the terms of the income and Corporation Taxes Act 1988, which means that members enjoy several important tax advantages. It also meets the requirements of the occupational pension scheme. It is possible for employers with good pension schemes of their own to contract out the earnings related to the state scheme. The plan provides much better benefits than the state scheme and is contracted out-on comparative regional conditions; the researcher will look or consider the Nigeria's state pension scheme.

McCartney stressed, state pension scheme provides each member with a two-part pension from state pension age, which is currently 65 years for men and 60 years for women. However, the government has announced its intention to change the state pension age for women from 60 to 65 and this change is to be phased in over ten year's period, starting in the year 2010. The first part, known as the basic pension is simply, the old age pension, which you will receive from the start in addition to the plan pension.

#### **OVERVIEW OF PENSION REFORM ACT 2004**

At long last, the pension reform bill has become law. These law gives the controversy that had surrounded it, may well go down in history as one of the most debated and controversial bill in the short history of democracy in Nigeria. Ahmed [8], stated that the public service pension scheme was set up to take care of the pension matters of the public sector, yet it remained largely unfunded, and almost wholly depended on highly unpredictable and epileptic budgetary allocations. Over the years, the outstanding pension liabilities of the federal, State and Local Government have continued to grow by leaps and

bounds, until it reached the current unsustainable and crisis levels. This is what the pension reform Act 2004 sets out to resolve.

In this Act, staff of the Federal Public Service and the Ministry of Federal Capital Territory, and the organized private sectors is covered by this scheme. The only exemptions are employees with less than three years before their retirement age (i.e 35 years of service or 65 years of age), or the judicial officers who are covered by section 291 of the Nigeria constitution, for the judges go home with their full salaries and all their benefit is for life. Since the 1<sup>st</sup> of July, 2004 the scheme started with contributions being deducted and lodged in temporary (transit) retirement savings accounts (that the monies are deducted at source while the government lodges in their own part into the Central Bank of Nigeria (CBN) opened in the name of each contributor in the Central Bank of Nigeria for every public servant who has registered and have chosen his Pension Fund Administrator, (PFA).

The individual RSAs (Retirement Saving Account) which every employee or worker is entitled to open with a pension fund Administrator of his choice, is the main instrument by which the pension fund administrators will use in making certain investments on behalf of the contributors to the scheme, Example, the pension Act reiterates the age long rule in investment business by requiring PFAs (Pension Fund Administrators) to invest pension funds assets. Strictly within the objectives of safety and fair returns on the amounts or assets invested therefore, it is through the RSA that names of the individual account will be credited with profits made from certain investments from time to time.

Every month, an employer remits 15 percent of each workers basic salary, Transport and housing allowances into the individual account. This 15 percent is withdrawn from source, and when their contributions are made, they are paid to the licensed custodian, through the CBN, and the funds are monitored and regulated by National Pension Commission (pencom).

In the case of the military personnel, the 15 percent is made up of 12.5 percent of the basic and 2.5 percent from the military personnel as the employers personnel contribution to the RSA. The RSAs are for life, they are therefore portable, ie these account are transferable from one job to the other, since each RSA has his/her (PIN) personal identity number, which is personal to that individual for life. Poorly designed pension system distort life-cycle savings and work decisions, lower output level and lower growth path output.

Oliver [9], if pension arrangement has a contributory component, the contribution would be regarded as a labour tax, causing workers evade contribution or find excuse to work-less. Any transfer from the budgetary estimates to pension means that an investment/development opportunity has been foregone. It means lower level funds available for government to address development issues.

Distributive concern, ideally, the total population should have access to some old-age income, at least at the poverty level (minimum wage at which a person can live), and all workers should have a portion of their earnings replaced consistent with their work record and contribution efforts.

The solution to the apparent pension's problems in this country is a shift to a fully funded pension system which in addition to making funds readily available will equally address all the incentive and distributional issues, as well as the issue of savings. Intergenerational equity and capital market formation. Nevertheless, these also present three major problems which need to be appreciated from the start.

1. Payment of current retirees and pension existing workers who have acquired pension rights.
2. Can the financial infrastructure, regulatory capacity and political economy sustain the reforms.
3. Has the financial market fluctuation been adequately and expressly taken into consideration and addressed.

Peter Diamond [10], said “ a good reform programme should be able to answer the following questions.

- a. Does the reform meet distributive concern? that is, adequacy of the level of benefits to beneficiaries, vis-a-vis the prospective level of pension under the new (scheme) level of proposed minimum pension indexation procedure, regularity of payments, and the provision of disability and survivors pensions.
- b. Can the administrative structure operate the new pension scheme. This includes capacity to collect contributions and pay benefit as and when due, the level of computerization, the availability of personal identification numbers, and the level of competence and training needs for administrative staff.
- c. Are the regulatory and supervisory arrangements and institutions in place to operate the funded pillar

with acceptable risks? This includes the assessment of the regulatory agencies and their strength of supervision and intervention powers for pension funds and insurance companies; the criteria for entry and exit of funded pension institution, the availability of sound custodian banks and an assessment of the proposed internal versus external assets, management, fee structure, etc, etc.

**RESEARCH METHODOLOGY**

This study was conducted at the Imo State civil/public service (representing the main five Eastern States in charge of pension's management). A questionnaire was constructed and administered to the Imo Civil/public service workers (representing the main five Eastern states it covers workers of various department of the ministries randomly selected. The top rank officers that participated on behalf of the management group were staff from grade levels 10-16, while low rank workers, studied were those from 01-09. The researchers administered a total of 1000 copies of questionnaires.

**DATA ANALYSIS TECHNIQUES**

The techniques for data analysis in this research would be mostly descriptive, Chi-Square ( $X^2$ ), which is a measure of significance. The formula used to obtain expected frequencies is: Expected Frequency for a Unit (Fe) =  $\frac{(Row)(column)}{GrandTotal}$

The degree of freedom (dif) = (r-1) (c-1). Where R = number of row and C= number of Column. Test of independence the contingency table analysis was used. The null hypothesis here is that the two variable of interest are independence is much greater than we would expect by chanced, we reject the null hypothesis that the two variables are independent, then the alternative hypothesis is accepted.

**Decision Rule:** Accept null hypothesis if calculated ( $X^2$ ) is less than the critical value of  $X^2$  and Reject the null hypothesis  $H_0$  if the calculated value  $X^2_c$  is greater than the critical table value of  $x^2_t$ . Take level of significance to 5%.

**DATA PRESENTATION/RESEARCH FINDING**  
**Question One**

**Table 1: Do you think that pensions in Nigeria has justified it's relevance in labour relation? (b) How do you mean?**

Option	Frequency	% frequency
Yes	-	Nil
No	520	100%`
<b>Total</b>	<b>520</b>	<b>100%</b>

The respondents of question one said that pension in Nigeria has never justified its relevance, especially in the aspect of management. According to 520 respondents who barred their minds asserted that the issue of pension management leaves much to be desired the respondents queried whether it is a sin for a person to serve his/her father land only to be treated with scorn, opining, that if anything is to be done, it should be the senior citizens first in government programmes and activities in order to warrant ancestral and cultural blessings. This is represented by the 520

negative response of 100%, while the “yes” option fielded nil, representing 0%.

Evidence had shown that the monthly pension is not regular, if at all it is to be paid; it is in prorata, some days ahead of the new month. Gratuities are hard to come by; some workers (pensioners) die before the processing of their papers is completed. Therefore, the elder statesmen believe this is inhumanity associated with Nigeria management and Administration.

**Question two**

**Table 2: Do you believe that the pension problems in Nigeria under funding by the Government?**

Option	Frequency	% frequency
Yes	470	90.39
No	50	9.61
Total	<b>520</b>	<b>100</b>

Source: Authors compilation

The 50 persons representing 9.61% of the total population believes that the problem of pension is corruption but the 90.39% justifies the much talked about insufficient and no fund when it comes to pension. They said that Government keeps on paying lip-service on pension matters. They contended that a situation where the pension is paid two weeks or three into the new month, if paid at all is to say the least satisfactory. This is as a result of the inability of

Government to manage pension, the researcher thinks that it is fair now to shift emphasis on government 100% equity participation on pension management. It has now changed because the latest, policy issue of contributory pension will bring the poor funding to an end.

**Question Three**

**Table 3: Do you suggest that pension matter be the exclusive right of the Federal, State and the Local Government?**

Option	Frequency	% frequency
Yes	416	80%
No	104	20
Total	<b>520</b>	<b>100</b>

Source: Authors compilation

According to the above table Ten all but 104 respondents, agreed and opined that, since the federal Government is controlling every aspect of our National life on greater financial allocation, disbursement, it should be allowed to administer, manage and direct pension matters through its agencies. They said that, a situation in which States and Local Government authorities are allowed to control and manage pension brings acrimony. And that the pension money is directed elsewhere thereby causing untold hardship to the pensioners. Day by day, week by week, pensioners are called out for verification, in the cause of this some lose their life either on road or while filing out or

queuing at the end of the day no meaningful realization in made in respect to improving the management, therefore, they are of the opinion where there will be uniform pension in the country and controlled by uniform agencies. The Federal Government controls the largest percentage in the Federation account it should control the extent of corruption since it has the greater departments of the law enforcement, like the police, courts, Army and every other paramilitary agents that could be used to control the evil menace.

**Question Four**

**Table 4: Lack of accurate data is the problem of modern pension management in Nigeria?**

Option	Frequency	% frequency
Yes	510	98.08
No	10	1.92
Total	<b>520</b>	<b>100%</b>

Source: Authors compilation

The above question succinctly puts it right by affirming that Nigeria does not keep accurate and effective data in her economic planning and development. 98.08% of the total population asserted that one of the major problems of pension management is paucity of data keeping in the our statisticians are not alive to their responsibility, while the No option fielded only 10 persons which is just 1.92% of the total group, though they have their opinion that Data keeping is not the problem, but they forgot that without accurate data keeping the nagging problem will remain, even worse than what it is today. So the 1.92% is negligible.

Data (statistics) refers to numbers or numerical facts, it refers to the methods used in analyzing numerical data and draw conclusions from them or it is the art and science of analyzing numerical data.

According to the World Book encyclopedia S0-S3 volume 18, P.686), asserts that scientists know that it is unsafe to draw conclusions from small numbers of observations. So they find it necessary to study thousands even millions of cases. They said that data (statistics), help all the sciences –physical, biological, and social-to deal with masses of facts. Data makes vital contributions to business and industry (Data) statistical methods helps to organize and uncover the principles and trends at work behind the facts. Advertising, Finance, Insurance, Manufacturing, retailing and many other fields of life depend on statistics of effective management therefore pension management will be well managed when we began to keep accurate data.

**Question Five**

**Table 5: Is improper accounting system, corruption and poor budgetary allocation factors militating against pension management in Nigeria?**

Option	Frequency	% frequency
Yes	520	100%
No	-	%
Total	<b>520</b>	<b>100%</b>

Source: Authors compilation

The above table XII is assertive and whole and entire in the answering as x-rayed by the 520 respondents is not arguable. Nigerian’s pension management is hedged on the elucidated factors, so

stressed by the entire respondents as represented by 100%.

**Question Six**

**Table 6: Can policy inconsistency be a problem to modern pension management in Nigeria?**

Option	Frequency	% frequency
Yes	508	97.02
No	12	2.98
Total	<b>520</b>	<b>1000</b>

Source: Authors compilation

2.98% of the entire population does not believe that policy inconsistency could be a problem either they deed not quite understand the question or it’s meaning but the yes option has 97.02 percent of the entire population, which proves that we ought to have a culture in Nigeria. They said Inconsistency polices affects the management of pension. For it is a plain truth that when government is changed, there is bound to be some reverse on policy management. And the

implication is that it affects planning and forecasts by the statisticians and financial planners, in that our pension managers may not really know how to have long term future projections though, Government is not steady, but polices and programmes ought to be followed and maintained in this country for there to be effective, and good management of pension.

**Question Seven**

**Table 7: Is it true that economic ups and downs affect management of pension scheme in Nigeria?**

Option	Frequency	% frequency
Yes	490	94.24
No	30	5.76
Total	<b>520</b>	<b>100</b>

Source: Authors compilation

The respondents view is quite clear in that the 94.24 percent of the entire population believes that economic ups and downs in Nigeria is one of the factors

that affects not only pension, but the entire economy as a whole, therefore the Negative options respondents, 5.76% have their free will and must not be forced to

accept that management could be affected by the ups and downs in the economy.

**TEST OF HYPOTHESIS**

**H<sub>0</sub>:** The pensioner’s contributions as a worker over the years do not positively influence his benefits from the pension scheme.

**H<sub>1</sub>:** The pensioners’ contributions as a worker over the years do positively influence his benefits from the pension scheme.

**Table 8: The statistical technique for testing the hypothesis is Chi-square (X<sup>2</sup>) at 5% level of significance**

RESPONDENT	IMO ABIA EBONYI ANAMBARA ENUGU	IMO ABIA EBONYI ANAMBARA ENUGU	IMO ABIA EBONYI ANAMBARA ENUGU	IMO ABIA EBONYI ANAMBARA ENUGU	IMO ABIA EBONYI ANAMBARA ENUGU	TOTAL
Yes	A 75	B 68	C 72	D 72	E 81	368
No	F 45	G 42	H 28	I 18	J 19	152
<b>Total</b>	120	110	100	90	100	520

Source: Authors compilation

Table XIII observed frequency for the Hypothesis. We calculate the expected frequency as total for pension benefits and not for pension payment

(a) using the formula: 
$$\frac{(Row)(column)}{GrandTotal}$$

Our table is a 5 x 2 (that is 5 column and 2 rows contingency table). Using the formula (C-1)(r-1) = (5-1)(2-1) = 4

We have our degree of freedom as 4 and at 5% level of significance.

$X^2_t = 9.49$

From the calculation, 16.95 > 9.49, we therefore reject H<sub>0</sub> and accept H<sub>A</sub>, that the pensioners contributions as a worker over the years do positively influence his benefits from the pension scheme. Going by this analysis so far, we assert that contributory pension management if will managed, will go a long way in ensuring a better and hopefully retirement in the country.

**CONCLUSION AND POLICY RECOMMENDATIONS**

From the interviewers, the researcher realized that most of our public servants do not realize the passage of time while in service so as to prepare for retirement while in service, more-so, because we do not have reliable system for entitlements, makes for high corruption level in the country, that is, if the pension and gratuity comes as at when due, honestly, most of the public servants will be willing to go home and have rest, and use their time for some other things in life, but for the fear of future, towards the end of their retirement, they begin to falsify their records so as to still last longer in service.

The provisions of the new pension Act incorporated adequate measures to guide against old age poverty and ensure that every person receives his retirement benefits as and when due, however, there are few areas that require further developments to make the contributory pension scheme more robust sustainable and effective as in this areas.

Yes, as good as it may seem, some people are still showing some kind of fear, because of our nature of having sharp practices, in Nigeria, since, contributory system had once failed in Argentina, therefore some are of the opinion that government should continue to take the responsibility of funding the pension rather than contributory, since the Federal Government dominates everything on finance in the country.

There should be a law, ensuring that any person or the pension Administrators, if found guilty of trying in a way that will bring about siphoning the funds contributed will be made to face the wrath of the law not minding whose ox-is-gored, without which, in my humble opinion, nothing meaningful shall be achieved.

The stake-holders, should ensure that the well thought out package and designs so far on the new National Pension scheme management are strictly put in place, for if any room is created, those who will wish that nothing good comes out in this country will hinge on such loop-holes, and bring the whole effort to a total flop.

Above all, let our government work hard in terms of bringing back the trust and confidence her citizens ought to have on them by ensuring that they do what they say and carrying out the rule of law to the fullest.



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