The Performance of National Pension Commission in Relation to the Management of Retiree's Pension Funds at the Industrial Training Fund (ITF)

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Abstract: **- This study examines the Performance of National Pension Commission in Relation to the management of Retiree's Pension Funds at the Industrial Training Fund (ITF). Survey and analysis of existing data research design was used to generate primary and secondary data respectively. Primary data was collected through the instrument of questionnaire and interview while, the secondary data was collected from textbooks, journals, magazines, periodicals, internet, etc. The study adopted Pension Productivity Theory propounded by Dorsey, Cornwell and Macpherson in 1998. The theory recognizes pension coverage as endogenous and it simultaneously estimates the channels through which pension incentives raise productivity. Findings from the study reveals that, Pension Fund Administrators under supervision of National Pension Commission have over the years of their operation remitted pension funds to the ITF Staff' Retirement Saving Account. But that of the accumulated arrears are yet to be remitted to the individual RSA accounts. The Pension Fund Administrators in line with National Pension Commission (PenCom) directives have provided the ITF employees with various investment alternative opportunities to choose from. This has provided the platform for employees to decide which Pension Fund Administrators (PFAs) they wish to commit their pension funds into. The new pension scheme under supervision of PenCom has eliminated delay in disbursement of pension benefit to ITF Retirees as well eradicated corruption in the disbursement of pension benefit to ITF retirees. The study therefore recommends among other issues that government, through the instrument of PenCom, Pension Fund Administrators and other stakeholders should as a matter of necessity institute a committee to remit all the outstanding debt of pension arrears owed to ITF Staff and should be credited into their RSA.**

Keywords: **Pension, Pension Reform, Pension Reform act 2004, PenCom and Perfomance.**

I. INTRODUCTION

Pension administration reflects money withheld during the period of employment and returned with interest to an employee after cessation of work, that is, at retirement. A retirement scheme is a way of providing an employee with either a lump sum of money when leaving the service by an employer or providing a pension to the employee. It provides benefits which can be regarded as compensation to an employee for the services rendered to the organization.

Pension Scheme in Nigeria was established by the Basic Pension Decree 102 of 1979. The Pension Scheme Decree No: 75 of 1993 took retroactive effect from 1990. At this time all government parastatals and agencies directly funded by the treasury had a unified pension scheme that was virtually managed by insurance companies, many of which were unable to honor their pension obligations. In the private sector, the first pension scheme in Nigeria was set up for the employees of the Nigerian Breweries in 1954. This was followed by United African Company (UAC) scheme in 1957. These Decrees remained the operative laws on Public servants and Military Pensions in Nigeria until June 2004 though there were several government circulars and regulations issued to alter their provisions and implementations. For instance in 1992, the qualifying period for gratuity was reduced from ten to five years while for pension it was reduced from 15 to 10 years. In all, there have been about eight (8) registered pension schemes in the country before 2004 which were largely unfunded, self-administered and uninsured.

Moreover, resulting from lack of adequate and timely budgetary provisions the scheme became largely unsustainable and brought about not only soaring gaps between pension fund obligations and revenues, that threatened economic stability but also crowded out necessary investments in education, health and infrastructure.

The eventual collapse of the non-contributory pension scheme is therefore a cumulative effect of all these problems that produced generally worsening living conditions for pensioners

In 2004, the Federal Government of Nigeria revolutionized pension management and administration in the country with the enactment of the Pension Reform Act 2004. The Act assigned the administration, management, and custody of pension funds to private sector companies, the Pension Fund Administrators (PFA) and the Pension Fund Custodians (PFC). The Act further mandated the Nigeria Social Insurance Trust Fund (NSITF) to set up its own Pension Fund Administrator (PFA) to compete with other PFA's in the emerging pensions industry, and also to manage the accumulated pension funds of current NSITF contributors for a transitional period of five years.

The major objectives of the new scheme were to: ensure that every person who has worked in either the public or private sector receives his retirement benefits as and when due; assist improvident individuals by ensuring that they save to cater for

their livelihood during old age; establish a uniform set of rules and regulations for the administration and payment of retirement benefits in both the public and private sectors; and stem the growth of outstanding pension liabilities.

The CPS is contributory, fully funded and based on individual Retirement Savings Accounts (RSAs) that are privately managed by Pension Fund Administrators (PFAs), while pension funds and assets are kept by Pension Fund Custodians (PFCs). The Act also constituted the National Pension Commission (PENCOM) as a regulatory authority to oversee and check the activities of the registered Pension Fund Administrators (PFAs). The provisions of the act cover employees of the public service of the federal government, and private sector organizations. This study therefore seeks to examine the performance of National Pension Commission (PENCOM) in relations to the management of pension funds in ITF.

Statement of the Problem

This study seeks investigate the performance of National Pension Commission (PENCOM) in relations to the management of pension funds in ITF.

Although, there was agreement that the new scheme was applauded as far better than the old one, it was discovered that the new scheme has not fully addressed the difficulties encountered by retirees/ pensioners. ITF is an organization that has adopted the CPS until recently when arrears accumulated without justifiable reasons. In spite of the Pension Reform Acts of 2004 and 2014, the retirees of ITF are not being paid all their entitlements as at when due through their Retirement Savings Account. It was discovered that, there have been constant deductions at source on the monthly pension contributions from the accounts of employees at Industrial Training Fund but this employee's contributions have not been yielding enough profits as was stipulated by the PFA's over the years. PENCOM is unable to exert the supervisory role over the ministries in violation of sections 30 to 28 of the PRA 2004; and also the federal government has not been faithful in paying the 5% monthly wage bill into the account with the Central Bank of Nigeria, which accounts for insufficient funds to settle the pension liabilities of those affected.

The extent to which the Retirement Savings Account (RSA) of employees at ITF is funded and managed by their employers and PFA's under the supervision National Pension Commission is the focus of this study.

Research Questions

This study poses the following research questions. They are:

i. What is the nature of the Contributory Pension Scheme implementation in ITF?
ii. What are the roles played by PFA's in the implementation of the CPS in ITF?
iii. What are the challenges encountered in the implementation of the CPS as it relates to the settlement of pension to retirees?
iv. How can the challenges faced by PenCom and the PFA;s be resolved moving forward?

Objectives of the Study

The general objective of the research is to examine the Performance of the National Pension Commission in relation to the payment of Pensions at the Industrial Training Fund, 2004- 2019. The specific objectives include:

i. To find out the nature of the CPS implementation in ITF.
ii. To ascertain the roles being played by the PFA's in the implementation of CPS in ITF.
iii. To find out those challenges being faced in the settlement of retirees in ITF.
iv. To find ways of resolving the challenges which hinder the PFAs and PenCom from running their affairs smoothly.

Conceptual Framework

The concepts to be looked into here are: Pension, Organizational Performance, Contributory Pension Scheme, Benefits and Challenges of the New Pension Scheme etc.

Concept of Pension

Pension plans are usually established by a legal document called a trust deed with the declaration that the funds would be administered in accordance with the rules spelt out in the document. Employers offer pension benefits to attract, retain and reward employees. Employees, on the other hand, rely on retirement benefits as a form of financial security in their less productive years (Babatunde, 2012). From the above definition of pension, it only explained the relationship between employer and employees with regards to pension matters but failed to outline the strategies needed to actualize the sustainable pension regime. Pension matters go beyond employer and employees relationship.

Pension is simply the amount set aside either by an employer or an employee or both to ensure that at retirement, there is something for the employee to fall back on as income. It ensures that at old age workers will not be stranded financially. It is aimed at providing workers with security by building up plans that are capable of providing guaranteed income to them when they retire or to dependants when death occurs (Fapohunda, 2013).

Encyclopaedia defined pension as a periodic income or annuity payment made at or after retirement to an employee who has become eligible for benefits through age, earnings and service. Benefits may also be paid in the event of death, total disability or job termination. Pension payments are usually in monthly instalments.

World Bank (2004) defines pension as a form of income that workers or their spouses receive after the workers retire, become disabled or die. Pension entails money paid at regular basis by government or any establishment to someone who is officially considered retired from active service after serving for a stipulated time usually a minimum of ten years and maximum of thirty five years (Ikeji; Nwosu and Agba, 2011). Pension schemes are social security maintenance plan for workers after their disengagement as employees through retirement (Elesami, 2006). A pension fund is any collective arrangement or scheme which has as one of its main objectives, the provision of retirement benefits for working persons either in the form of regular income during retirement years or a lump sum at retirement.

Pension funds also represent long-term patent capital – one of the only significant sources of stable capital in the world.

Concept of Organizational Performance

Armstrong (2001) argues that Organizational Performance is an achievement which refers to both outcome and behaviours, and modifying institutional actions and behaviours of work to attain outcomes or effects. Conducts or etiquettes are results in their own right and response to the outcome of mental and physical attempt applied to assignment. Armstrong's definition seems to be in line with the view of Mwita which also sees organizational performance as achievement of organizational goals.

Alam (2001) observed that organizational performance is a multidimensional construct that is composed of four segments i.e. customer-focused accomplishment, this includes but not limited to customer satisfaction, products or services performance; the performance of financial and market that also involves market position, profit revenue, human resource performance, cash to cash cycle time, and income per share; including employee gratification; and organizational efficiency, that includes the extent of innovation, time to market; production and supply chain flexibility.

According to Anderson (2003), he identified the advantages of employee performance as:

1) Productivity increases
2) Job satisfaction
3) High profit
4) Improves sales and market shares of the company in the market
5) Employees develop sense of commitment and loyalty
6) Total production increases in quality and quantity

Anderson (2003), stated that the following are the factors affecting employee performance in an organization, they include: Experience, Balancing home and work and Manager Interaction

According to Chen, Silverthorne & Hung, (2006), organizational performance means the "transformation of inputs into outputs for achieving certain outcomes. With regard to its content, performance informs about the relation between minimal and effective cost (economy), between effective cost and realized output (efficiency) and between output and achieved the outcome (effectiveness)".

Organizational Performance has been defined as the ability of an organization to fulfil its mission through sound management, strong governance and a persistent rededication to achieving results. Effective nonprofits are mission-driven, adaptable, customer-focused, entrepreneurial, outcomes oriented and sustainable, (Spector, 2008).

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives).

According to Richard (2009) Organizational performance involves the recurring activities to establish organizational goals, monitor progress toward the goals, and make adjustments to achieve those goals more effectively and efficiently.
Specialists in many fields are concerned with organizational performance including strategic planners, operations, finance, legal, and organizational development.

Ramanujam (2016) defines Organizational performance as a sign of the capacity of a company to efficiently achieve independent goals. All organizations have been established with certain objectives to achieve.

Administration of Pension Scheme in Nigeria

There are two notable pension schemes; the self -administered scheme and the insured scheme. The self administered scheme is administered on behalf of the staff by the trustees, in line with the Trust Deed and Rules. The administrators collect the contributions and invest such contributions through external or in-house fund managers. For the insured scheme, the administration of the pension is transferred to a life insurance company who collects the premium and invests the premium and on retirement, pays the retirees pensions. The most common form of this scheme is the deposit administration which allows the insurance company involved to invest accumulated pension fund contributions with subsequent interest. It is through the use of the insured scheme or the use of pension fund managers that the private sector managed its schemes effectively before 2004.

Prior to 2004 the pension scheme in operation was the Defined Benefit or Pay as You Go (PAYG). The government funded the public sector scheme hundred percent and it was a non-contributory pension scheme. Chilekezi (2005) observes that the pension payment was done through budgetary allocations for each fiscal year. The private sector scheme seemed better organized than the public sector and as Uzoma (l993) affirms it was mostly a contributory scheme, but in a few cases it was maintained as a non-contributory scheme 100% funded by the employers.

The PAYG pension scheme has certain merits. One merit of the system is that only the employer contributes and employees do not bear the burden of contributions. Also for the PAYG scheme there is a general scale of benefit which is more generous than the new contributory scheme. In addition it involved periodic pension increases with salaries because monthly pensions were always increased whenever there was a wage increase. More so, payment by the employer is deferred and there is no immediate pressure on employer's cash flow as payment is only made after retirement. It is also less expensive to administer since administrative costs begin from retirement. The scheme is however fraught with challenges and problems

The 2004 pension reform was necessitated by the myriad of problems that plagued both the Pay As You Go (PAYG) operated in the public sector and other forms of pension systems like occupational schemes, mixture of funded and defined benefits (DB) schemes that operated in the private sector. A major challenge of the public sector defined benefit scheme (PAYG) was its dependence on budgetary provisions for funding. Gbitse (2006) observes that the scheme in the public sector became unsustainable and was further compounded by increase in salaries and pension payments.

Administration of Contributory Pension Scheme by National Pension Commission

The Pay-As-You-Go (PAYG) or Defined Benefit (DB) operated in Nigeria was burdened with a lot of problems as it became unsustainable as is common with other countries of the world. In an attempt to redress the huge deficit, arbitral increases in salaries and pensions as well as poor administrative structures, the idea of Pension Reform Act 2004 was muted. This section examines the elements of the new contributory pension scheme as highlighted by PENCOM (2006):

The Key Objectives of the Pension Reform Act 2004 are to:

1. Ensure that every person who has worked in either the public or private sector receives his retirement benefits, as and when due;
2. Assist improvident individuals by ensuring that they save to cater for their livelihood during old age;
3. Establish a uniform set of rules and regulations for the administration and payment of retirement benefits in both the public and private sectors; and
4. Stem the growth of outstanding pension liabilities.

The systems operated from the first law on pension until the enactment of this Act are different - the Pension Ordinance 1951, the Pension Act 1990, Nigeria Social Insurance Trust Fund Act 1993 and the Preservation Right to Pension as contained in the 1999 Constitution. Under this new system, the employees contribute a minimum of 7.5% of their total monthly emoluments (basic salary, housing and transport allowances) and 2.5% for the military (though military has opted out). Employers shall contribute 7.5% in the case of the public sector and 12.5% in the case of the military. Employers and employees in the private sector will contribute a minimum of 7.5% each. An employer may elect to contribute on behalf of the employees such that the total contribution shall not be less than 15% of the Basic salary, Housing and Transport allowances of the employees. An employer is obliged to deduct and remit contributions to a Custodian within 7 days from the day the employee is paid his salary while the Custodian shall notify the PFA within 24 hours of the receipt of contribution. Contribution and retirement benefits are tax exempt. The deductions are credited directly to the relevant Retirement Savings Account (RSA). Features of Contributory Pension Scheme:

1. Fully Funded

The contribution of an employee is deducted monthly from the employee's salary while the employer will provide the counter contribution for the employee, which will both be transferred to the relevant retirement savings account. By so doing, the pension funds exist from the onset and payments will be made when due.

2. Retirement Savings Accounts (RSA)

Each employee is required by law to open a 'Retirement savings Account' in his name with Pension Fund Administrator of his choice. This individual account belongs to the employee and will remain with him for life even if he/she changes employers or pension Fund Administrators (PFAs)

3. Retirement Benefit

There are three types of retirement benefits:

(i) Normal Retirement Benefit: This is for those retired or is disengaged and who are not less than 50 year of age. A lump sum with their monthly pension is paid to them if the balance in their RSA is up to N550, 000.00. A retiree (RSA holder) may opt for annuity instead of programmed withdrawal. In that case his chosen or preferred insurance company buys his RSA. His PFA then hands over his RSA to the preferred Insurance Company after the holder and the insurance company must have made the necessary arrangement.

(ii) Voluntary Retirement Benefit: This is meant for those who retire or their appointments terminated or are disengaged at less than fifty years of age. They are allowed to apply for payment of lump sum of 25% of the balance standing to the credit of their RSA, provided they could not secure a new job after six months of their disengagement. When they are up to 50 years of age they are entitled to lump sum and pension if the remaining balance of 75% is up to N550,000, otherwise he is paid off.

(iii) Survivor's Benefit: This is paid to a deceased employee's next-of-kin. Verification is done by PENCOM yearly for public sector employees for those who are due for retirement in two year's time to enable PENCOM to meet the

requirement of preparing and releasing their bond into their RSAs.

4. Life Insurance Policy

Every employer shall maintain life insurance policy in favor of an employee for a minimum of three times the annual emolument of the employee. In the event of death while in service, the value of the policy shall be remitted by the insurance company into the RSA of the deceased employee and paid to his/her beneficiary as part of the survivor benefit.

5. Group Life Insurance Policy

The insurance companies had used the group life Assurance either as complementary or supplementary products to the retirement benefits paid under the group life insurance scheme in addition to benefits under the retirement schemes. It is supplementary when the Benefits under the retirement scheme are augmented by the Group life Assurance.

II. REVIEW OF EMPIRICAL STUDIES

Empirical review of previous studies is a systemic review of related articles that have been written and published in academic journals.

Several scholarly works have been carried out to ascertain the veracity or otherwise of the way and manner in which pension management generally has been carried out in Nigeria. Of particular interest to this study is the extent to which the Nigeria National Pension Commission has been managing the affairs of retirees, especially as it concerns the Industrial Training Fund. In this section, the study focuses on extant empirical works of scholars and experts in the broader field of pension reform studies.

A study conducted on the Evaluation of Pension Administration in Nigeria by Ayegba (2013). The study evaluates pension fund administration in Nigeria by examining the extent of compliance by employers of labor in funding the Retirement Savings Account (RSA) of their employees as a requirement of the new contributory pension scheme in Nigeria. In the above empirical work, Ayegba found out that even though the Government tries to review pensions upwards from time to time, it fails to make adequate arrangement for how it will shoulder the financial implication in the long run. But then, what he omitted is the fact that in CPS both the employer and employee make their contributions and as such the government cannot be over burdened. However, what is interesting about his work is the attention he has drawn for public enlightenment on the advantages of the new pension scheme.

Another study conducted on Nigerian Pension Reforms and Management by Asuquo, Akpan & Tapang (2011). The study investigated the Nigerian Pension reforms and management as veritable strategies of rewarding past intellectuals towards sustainable development in the third world.

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Another study conducted by Beredugo (2015), on pension fund accounting and pensioners' wellbeing together with their sustainability and life expectancy. The study was carried out on a sample of 400 pensioners drawn from Oyo, Rivers and Kano states.

Another study conducted on the effect of the new pension scheme on retirees in Nigeria (2004 – 2014) by Anazodo, Ezenwile, Chidolue & Umetiti (2014). The study argued that, the lack of adequate and untimely budgetary provisions coupled with poor retirees' welfare smacked off the introduction of the new pension scheme, otherwise called the contributory pension scheme. The scholars above are right in so many areas but the researcher here also disagrees with the idea that employees know little about their PFAs. This may be as a result of the nonchalant attitude of many workers. It is again true that the 2014 Act was introduced because the 2004 Act had some loopholes and even at that there are still issues to be dealt with.

A study conducted by Ugwoke and Onyeanu (2014) on determination of the level of acceptance and compliance to the New Pension Scheme in Nigeria.

Another study conducted by Imhanlahimi & Idolor ((2011) examined the effect of Defined benefit plans on Civil service pensions Compensation Methods. The study argued that, The Contributory Pension Scheme (CPS), introduced by the Nigerian Federal government in June 2004 as part of government's administrative reforms is gradually changing the tempo of pension administration in Nigeria. The paper also looked at the former pension scheme-Defined Benefits Pension Scheme (DBPS).

Another study conducted on Problems and Prospects in the Management of Retirement Benefits in Adamawa State Pension Board, Nigeria by Ndaghu (2015), examined and analysed the problems and prospects in the management of retirement benefits in Adamawa State Pension Board.

Most Scholars who work were reviewed above focused on the contributory scheme but failed to outline some of the basic challenges associated with the old scheme and how the new scheme has not performed to the level of expectation of the Nigerian workers and Pensioners, especially with regards to the implementation of Pension Reform Act 2004. From the literature, it has been discovered that a number of studies Ndaghu (2015), Ayegba, Ojonugwa (2011), Anazodo, Ezenwile, Chidolue, & Chidinma Umetiti (2014), Asuquo, Akpan & Tapang (2011), and Ugwoke and Onyeanu (2014) were actually being done on the impact of the implementation of contributory pension scheme on workers' consumption, income and savings, workers and productivity, etc, but not much has been conducted on the performance of National Pension Commission in relation to the management of Pension Funds of organizations and of particular interest that of ITF, this study intends to fill this gap.

III. THEORETICAL FRAMEWORK

The framework of analysis adopted for this study is Pension Productivity Theory propounded by Dorsey, Cornwell and Macpherson in 1998. The theory recognizes pension coverage as endogenous and it simultaneously estimates the channels through which pension incentives raise productivity. It links improved labor force outcomes to productivity gains. In other words, employers offer pension benefits to attract, retain high productivity and reward employees. While employees, on the other hand, rely on retirement benefits (pensions) as a form of financial security in their less productive years

A productivity theory of pension has two sides:

This theory is based on two propositions

1. The demand-side perspective and
2. Supply-side perspective.

Demand-side perspective posits that, a pension is an insurance policy against a number of retirement-age risks. One such risk is that retirees will live longer than expected and their savings will be depleted before death. The demand side perspective proposed that, employers are indifferent between paying cash wages or making contributions to a pension fund, and thus pensions are sponsored to satisfy employee demand for a retirement saving vehicle. A reduction in income taxes is a well-known reason for employees to prefer pension saving. Employer contributions, the interest and dividend earnings of pension assets are not taxed until benefits are paid. Therefore, it deals with the system of compensating workers by credibly promising future pension benefits.

Yet, demand-side perspective does not address the incentives created by pensions, particularly by defined-benefit plans. The savings aspect could be exploited with the administratively simpler defined-contribution plan.

A supply-side perspective on the other hand is that pension incentives raise workforce productivity and lower labour costs. Internal labour market theories suggest several mechanisms through which pensions promote productivity and that Pensions, whether defined-benefit or defined-contribution, are valued more by workers and pensioners. Many have suggested that such forward-looking persons are more productive long-term employees.

Both sides of the theory however, agreed that pension schemes are established as incentives and motivation to encourage workers to increase their productivity or performance. The demand side of the theory posits that employers make payments to employees' pension funds because workers are keen or prefer pension savings to cash payments to their emoluments. This is because of the benefits attached. These include reduction in income tax of the employee, the retirement benefits, such as social security from the employer's contributions, interest earnings and dividend earnings on pension fund investment or assets that are not taxed. Others include the prospect of future enhanced and acceptable pension benefits, from awards or (increases as may be offered by the government from time to time.

IV. METHODOLOGY

The study adopted the use of survey, case study and content analysis research design methods. A survey research was used to generate data from the sample of the population in order to comprehend the opinions of the respondents on effect of pension reforms and the performance of PenCom in the payment of retirement benefits to the retirees of ITF. The researcher creates a set of questions on the performance of PenCom in relations to the management of ITF pension funds for which information were generated from the participants or respondents. The research techniques or instruments used to generate the primary data is Questionnaire and interviews.

The target populations for this study are;

1. Staff of the Industrial Training Fund.
2. Officials of the PFAs/PFCs
3. Officials of PenCom
4. Some retirees under the Contributory Pension Scheme (CBS)
5. Officials of ITF Pension Union
6. Director – Pensions Department at ITF

Systemic random sampling technique was used to select sample from the total number of ITF Staff. Population list approach was used to minimize error and bias in the selection process. The reason for the choice of systematic random sampling is that, it is very easy and can be done manually, and the results are representative of the entire population.

The purposive sampling technique was used to select few representatives from the stratum of the population for interview. The interview covers five sets of the population as listed above. Consideration for these choices was because they are all knowledgeable on the issues of concern to us.

The total number of the population of the ITF Staff as at July 2019 stood at 3,336 (ITF Pensions Dept)

Systemic Random Sampling Technique was used to determine the sample size of 333 respondents. This was arrived at by using the Nominal Roll of the List of ITF staff, choosing a staff at the interval of every 10.

$$\frac{N}{1+N(e)^2}$$

Where n=sample size

N=total population size

1 is constant

e = the assume error margin or tolerable error which is taken as 5% (0.05)

$$n = \frac{N}{1+N(e)^2} = \frac{1934}{1+1934(0.05)^2} = \frac{1934}{5.8} = \underline{333} \text{ (sample size)}$$

The study utilized both primary and secondary method of data collection. Primary method was adopted to elicit information from respondents using the instrument of questionnaire and interview. Primary data were generated from the staff of ITF, PenCom, PFAs and PFCs. Questionnaires were distributed to some Staff and Retirees of Industrial Training Fund while the officials at PenCom and the PFAs/PFCs were interviewed.

Secondary data was collected through the review of existing information about the issues under investigation from the related articles, journals, books.

Such as: the PRA 2004/2014, published Journals on pension administration, official bulletins released by PenCom, official documents from the department of Pensions at ITF, ITF libraries; official records from selected Pension Fund Administrators, newspaper articles and internet.

Secondary Data was systematically collected in a manner that will provide answers to the research questions in a logical and coherent way. The data collection tools/instruments employed include; structured questionnaires and unstructured interview guide. Two research assistants were employed to assist in the administration of questionnaires.

The Questionnaires were administered to some ITF's staff. A pre-determined set of closed-ended questions were utilized. Unstructured interview using pre-determined set of open-ended questions were used to generate views and opinions on how the pension funds are being regulated by PenCom.

In analyzing the data collected using the primary method. The descriptive statistics such as frequencies, percentages and tables were used to present the data collected using Statistical Package for Social Statistics (SPSS). The analysis was represented in tabular form for easy understanding and it contained the number of respondents and the corresponding percentage.

In analyzing the secondary data collected, historical and statistical analysis of record was used to sift information from each source, such as books, Journal, Reports, financial records, newspapers and internet.

V. DATA PRESENTATION

From the returned questionnaires, it was discovered that, out of three hundred and thirty three questionnaires distributed, only three hundred and twelve (312) representing (93.7%) questionnaires were successfully completed and returned while, twenty one (21) questionnaires were missing. The Data were presented in a table below:

Table 4. 1: Do the PFAs always credit your Retirement Savings Account monthly as and when due?

		Frequency	Percent	Cumulative Percentage
Valid	Agreed	204	65.4	65.4
	Disagreed	95	30.4	95.8
	I'M not Sure	13	4.2	100.0
	Total	312	100.0	

Source: Field Survey, July 2019

The table above shows that, 204 respondents representing 65.4% agreed that, PFA's have always credited their Retirement Saving Account monthly as and when due. 95 respondents representing 30.4% disagreed while, 13 respondents representing 4.2% could not ascertain whether PFAs have always credited their Retirement Savings Account monthly as and when due.

Table 4. 2: Do the PFAs credit your Retirement Savings Account with all accumulated pension arrears?

		Frequency	Percent	Cumulative Percentage
Valid	Agreed	142	45.5	45.5
	Disagreed	156	50.0	95.5
	I'M not Sure	14	4.5	100.0
	Total	312	100.0	

Source: Field Survey, July 2019

The table above shows that, 142 respondents representing 45.5% agreed that, PFA's credit their Retirement Savings Account of all accumulated pension arrears. 156 respondents representing 50.0% disagreed while, 14 respondents representing 4.5% could not ascertain if the PFA's credit their Retirement Savings Account with all accumulated pension arrears.

Table 4. 3: Do the PFAs provide you with investment alternatives opportunities in line with National Pension Commission directive?

		Frequency	Percent	Cumulative Percentage
Valid	Agreed	200	64.1	64.1
	Disagreed	102	32.7	96.8
	I'M not Sure	10	3.2	100.0
	Total	312	100.0	

Source: Field Survey, July 2019

The table above shows that, 200 respondents representing 64.1% agreed that thePFA's have provided them with investment alternative opportunities in line with National Pension Commission directive. 102 respondents representing 32.7% disagreed while, 10 respondents representing 3.2% could not ascertain whether PFA's have provided them with investment alternative opportunities in line with National Pension Commission directive.

Table 4. 4: Does the new pension scheme under supervision of PENCOM bring some suc succor to the retirees of ITF?

		Frequency	Percent	Cumulative Percentage
Valid	Agreed	196	62.8	62.8
	Disagreed	104	33.3	96.2
	I'M not Sure	12	3.8	100.0
	Total	312	100.0	

Source: Field Survey, July 2019

The table above shows that, 196 respondents representing 62.8% agreed that, the new pension scheme under supervision of PENCOM brings succor to staff and prospective retirees of ITF. 104 respondents representing 33.3% disagreed while, 12 respondents representing 3.8% could not ascertain whether the new pension scheme under supervision of PENCOM brings succor to staff and retirees of ITF.

Table 4. 5: Does the new pension scheme under supervision of PENCOM eradicate corruption in the disbursement of pension benefit to ITF retirees?				
		Frequency	Percent	Cumulative Percentage
Valid	Agreed	187	59.9	59.9
	Disagreed	110	35.3	95.2
	I'M not Sure	15	4.8	100.0
	Total	312	100.0	

Source: Field Survey, July 2019

The table above shows that, 187 respondents representing 59.9% agreed that,the new pension scheme under supervision of PENCOM has eradicated corruption in the disbursement of pension benefit to ITF retirees. 110 respondents representing 35.3% disagreed while, 15 respondents representing 4.8% could not ascertain whether the new pension scheme under supervision of PENCOM has eradicated corruption in the disbursement of pension benefit to ITF retirees.

Table 4. 6: Does the new pension scheme under supervision of PENCOM eliminate delay in disbursement of pension benefit to ITF retirees?				
		Frequency	Percent	Cumulative Percentage
Valid	Agreed	179	57.4	57.4
	Disagreed	122	39.1	96.5
	Undecided	11	3.5	100.0
	Total	312	100.0	

Source: Field Survey, July 2019

The table above shows that, 187 respondents representing 59.9% agreed that, the new pension scheme under supervision of PENCOM has eradicated corruption in the disbursement of pension benefit to ITF retirees. 110 respondents representing 35.3% disagreed while, 15 respondents representing 4.8% could not ascertain whether the new pension scheme under supervision of PENCOM has eradicated corruption in the disbursement of pension benefits to ITF retirees.

Table 4. 7: Does the PENCOM assist in the proper management of ITF pension matters and operational efficiency?				
		Frequency	Percent	Cumulative Percentage
Valid	Agreed	223	71.5	71.5
	Disagreed	76	24.4	95.8
	Undecided	13	4.2	100.0
	Total	312	100.0	

Source: Field Survey, July 2019

The table above shows that, 223 respondents representing 71.5% agreed that, PENCOM has assisted ITF in the proper management of pension matters and operational efficiency. 76 respondents representing 24.4% disagreed while, 13 respondents representing 4.2% could not ascertain whether PENCOM has assisted ITF in the proper management of pension matters and operational efficiency.

VI. DATA ANALYSIS

Analysis from table 4.1 shows that, 65.4% of the sampled population said that PFAs have always credited their RSA monthly as and when due which is against 30.4% which reveals that, PFAs have always credited their RSA monthly as and when due. We can conclude that, majority of the ITF Staff have being receiving pension contributions directly into their Retirement Saving Account but other staff that are yet to be credited was as result of non-compliance in filling the original document required for pension registration.

On the issue of whether PFAs have credited the RSA of all accumulated pension arrears, 45.5% of the sample population agreed that, PFAs have credited their RSA with all accumulated pension arrears. This is against the 50.0% that revealed that the PFAs have not credited their RSA of all accumulated pension arrears. We can conclude that majority of the ITF Staff are yet to be paid all their outstanding pension arrears.

On the issue of whether PFA's have provided staff of ITF with investment alternative opportunities in line with National Pension Commission directive, 64.1% revealed that, the PFA's have provided them with investment alternative opportunities in line with National Pension Commission directive. This is against 32.7% which indicated that, PFA's have not provided them with investment alternative opportunities in line with National Pension Commission directive.

On the issue of whether the new pension scheme under supervision of PENCOM has brought succor to staff and retirees of ITF staff, about 62.8% of the sampled population reveals that, the new pension scheme under supervision of PENCOM brought succor to staff and retirees of ITF. This is against 33.3% and 3.8% which revealed that, the new pension scheme under supervision of PENCOM did not bring succor to staff and retirees of ITF. We can simply conclude that, the introduction of the new pension scheme under supervision of PENCOM has actually brought succor to staff and retirees of ITF staff.

On the issue of whether the new pension scheme under supervision of PENCOM has eradicated corruption in the disbursement of pension benefit to ITF retirees. 59.9% of the sample population reveals that, new pension scheme under supervision of PENCOM have eradicated corruption in the disbursement of pension benefit to ITF retirees. This is against 35.3% and 4.8% which reveals that, new pension scheme under supervision of PENCOM has not eradicated corruption in the disbursement of pension benefit to ITF retirees. We can conclude that, the new pension scheme under supervision of PENCOM to some extent has eradicated corruption in the disbursement of pension benefit to ITF retirees.

On the issue of whether PENCOM has assisted ITF in the proper management of pension matters and operational efficiency, 71.5% of the population revealed that, PENCOM has assisted ITF in the proper management of pension matters and operational efficiency. This is against the 24.4% 4.2% who have contrary opinion. We can therefore conclude that,

PENCOM has assisted ITF in the proper management of pension matters and operational efficiency.

VII. DISCUSSION OF FINDINGS

1. Findings from the study revealed that, the PFA's under supervision by PenCom have remitted pension funds to the ITF Staff' RSA's. The new pension scheme under the supervision of National Pension Commission is a fully funded, privately managed contributory pension scheme; therefore pension funds are readily available for payment of retirement benefits. Payment of retirement benefits actually commences on retirement as specified in the PENCOM's guidelines.
   PFC's under supervision of National Pension Commission have remitted pension funds to the majority of ITF Staff into their RSA's. Accumulated Pension Contributions of ITF's Employees prior to remittance into their RSAs are being invested in treasury bills by the CBN. The pension contributions and incomes from such investment are being computed and remitted to the RSAs of the affected contributors proportionately but in a case where monies deducted at source from salaries of ITF Employees who were exempted from the New Scheme, the employee's portion of the pension contributions would be refunded to the affected employee while the employer portion would be transferred back to the FGN.
2. Findings from the study also show that, Pension Fund Administrators have provided the ITF employees with different investment alternative opportunities in line with National Pension Commission directive. In fact , in the course of the interview , we found out that there are now fresh ideas of where to invest and this is as a result of Pension Funds hitting over 8 trillion naira as at 2019 (PFA's). The allowable areas to invest include among others, Federal Government Infrastructure bonds e.g Private Capital investment.
3. The new pension scheme under supervision of PENCOM has eradicated corruption in the disbursement of pension benefit to ITF retirees. Contributory pension scheme enhances prompt payment of benefits because it encourages whistle blowing (pensioners reserve the right to disclose actual, potential or suspected instances of misconduct).

VIII. CONCLUSION

Contributory Pension Scheme under the supervision of PENCOM has reduced government spending and commitment to payment of retirement benefits as employees now share in it and there is less administrative cost to government because it is now borne by PFAs and PFCs. It avails the contributors or pensioner a lot of information, ranging from monthly balances and contributions, lump sum available upon retirement, to monthly pension.

There is competition in the pension industry which fosters innovation, more transparency and accountability. The operators, regulators, subscribers and beneficiaries are too deeply intertwined and the system is too tightly regulated for funds to be misappropriated on such a grand scale). The opportunity to change a perceived poor performing PFA which is inherent in the CPS, is an additional impetus for the PFA, which is thus encouraged to be more competitive and relevant, and hence ensures its effectiveness and efficiency in the interest of the worker/depositor/pensioners and their dependants.

CPS has provided various types of investment options that suit the needs of individual RSA holder. The investment earnings which are generally subject to macro-economic framework of the country would also be subject to investment portfolio, honesty, accountability and probity of the PFAs.

The incidence of corruption through the ghost retirees is removed. Therefore it is expected that CPS under the supervision of PENCOM protects the entire system against leakages on account of payments to ghost retirees to the common good of the society.

IX. RECOMMENDATIONS

1. Pension Fund Administrators under supervision of National Pension Commission have been remitting pension funds to the ITF Staff' Retirement Saving Account on monthly basis but that of the accumulated arrears are yet to be settled by the government, PFCs and PFAs. The government, through the instruments of PENCOM, PFAs and other stakeholders should as a matter of necessity institute a committee to remit all the outstanding debt of pension arrears owed to ITF Staff and should be credited into their RSA.
2. PENCOM should step up its supervisory role to ensure that, all PFAs provide the ITF employees with investment alternative opportunities in line with National Pension Commission act 2014.
3. PENCOM should step up its regulatory role to ensure that, all forms of delay in disbursement of pension benefits to ITF Retirees are eliminated and forestall any further delay in the remittance of pension funds to RSA.
4. PENCOM should ensure that, any PFA or PFC found wanting in the discharge of its responsibilities should be sanctioned and penalized. This will go a long way in eradicating all forms of corruption in the disbursement of pension benefits to ITF retirees.
5. Although the new contributory pension was enacted by the federal government to address the problems of old pension scheme, the implementation has not significantly solved the entire problems associated with the old scheme. We suggest the following

possible measures for effective and efficient implementation of the new Pension Reform Act 2004;

i. The government, through the instruments of PENCOM, PFAs and other stakeholders should as a matter of necessity institute public enlightenment mechanisms for the beneficiaries and the public on the operations of the new pension scheme. This will help to build up their confidence in the scheme.
ii. Pension Fund Administrators should ensure that they have a credible and competent workforce that will guarantee the issuance of accurate statement of account regularly. This will curb the embarrassment the contributors suffer by the irregularities in the issuance of the statement of account. Also, all enforceable laws should be applied by PENCOM to ensure that PFAs comply with the fund accounting guidelines by PENCOM.
iii. An organization has a moral obligation to provide a reasonable degree of social security for its workers especially those who have served for a long period. Employers, therefore, have to exhibit a sense of commitment in this regard and demonstrate that they have the interest of their employees at heart by making the contributory scheme a huge success.
iv. Any employer who fails to account accurately for his employees contributions should be adequately sanctioned as provided by law to serve as deterrent for others.

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