

REPORT ON PENSION REFORMS ROUNDTABLE AND



OCTOBER 25, 2024
BUMATHA VENTURES LIMITED

WORKSHOP

Enhancing Pension Benefits and Sustainability in the
Nigerian Public Service

REPORT ON PENSION
REFORMS ROUNDTABLE
AND

WORKSHOP

Enhancing Pension Benefits and Sustainability in the
Nigerian Public Service



OCTOBER 25, 2024

BUMATHA VENTURES LIMITED

EXECUTIVE SUMMARY

Pension reforms have always been an essential aspect of a nation's efforts to secure the financial future of its citizens after retirement. The Pension Reform Act (PRA) was initially enacted in 2004 and subsequently amended in 2014, which has been a significant milestone in Nigeria's pension administration and has had far-reaching impacts on both individuals and the economy. Therefore, the commitment to its reform is evident, and it is our duty to ensure that these reforms are not just on paper but are effectively implemented to benefit our retirees. The main purpose of the roundtable stakeholder discussion is to review and analyze the system's current state, identify challenges, and areas for improvement, and pave the way for further reforms to ensure a secure and sustainable future for Nigerian retirees through proposed recommendations

Key Findings:

- Failure to consistently review and update reform created gaps that led to the challenges of the reform
- The sensitization programmes for the beneficiaries are not enough to create solid awareness.
- There are no enforcement or penalties for organisation that do not implement the Pension Act.
- The federal government's inconsistency in remitting its bit to the scheme is a result of poor operational patterns.

Recommendations:

- There should be training of beneficiaries 6 months before retirement. This will serve as a guide on the process and necessary documents they need for accessing their funds and also how the funds can be used effectively.
- There should be transparency and accountability on the part of the pension bodies
- Establish a hybrid pension system for managing benefits and contributions
- Worker participation should be encouraged in pension-making decisions.
- There is a need for an emergency programme to crash the timeline set for receiving pension funds to encourage the beneficiaries

1.0 INTRODUCTION

1.1 Background



Public Service institutions are critical in promoting sustainable and equitable social and economic growth. Consequently, the administrative capacity of the public service is a key factor in the effective implementation of government policies and programmes. The development challenges faced by Nigeria notably, poverty, unemployment, insecurity, and poor infrastructure could, to a large extent, be attributed to the weak performance of the public service governance architecture. This has over the years undermined the development and service delivery efforts at all levels of government.

Nigeria's pension system underwent significant reforms in 2004 with the introduction of the Pension Reform Act 2004 as amended in 2014. This act transitioned the country from a defined benefit scheme to a contributory scheme, managed by private Pension Fund Administrators (PFAs). The reforms aimed to improve retirement security, encourage savings, and bolster domestic capital markets. Since then, reforms in the sector have focused on increasing worker participation, improving investment returns, and ensuring transparency and accountability within the pension system. These reforms are laudable, and they have thrown up some challenges.

The main legislation governing pension reforms in Nigeria is the Pension Reform Act (PRA) 2014. It repealed the previous Pension Reform Act of 2004 and established a Contributory Pension Scheme (CPS) for both public and private sector employees.

Some key aspects of the PRA 2014 are:

- Establishes a mandatory CPS: The Act requires most employers to enroll their employees in the CPS. This means both employers and employees contribute a portion of their salary towards the employee's retirement savings account.
- Sets contribution rates: The Act specifies the contribution rates for employers

and employees. As of July 2024, the standard contribution rate is 8% each, with the employer contributing 10% and the employee contributing 8% to the Retirement Savings Account (RSA).

- - Creates a regulatory framework: The Act establishes the National Pension Commission (PENCOM) as the regulator of the pension industry. PENCOM
 - oversees Pension Fund Administrators (PFAs), Pension Fund Custodians (PFCs), and other stakeholders in the CPS.
 - Defines benefits: The Act outlines the types of benefits available to retirees under the CPS, such as programmed withdrawal, annuity purchase, and a lump sum benefit

2.0 THE PENSION REFORM ROUNDTABLE 2024



2.1 Purpose of the Roundtable:

In recognition of these challenges, the Bureau of Public Service Reforms (BPSR), the government's Lead agency in Nigeria on Reforms, held a one-day round table on the Challenges, Impacts and Opportunities of Pension Reforms Act in Nigeria.

The main purpose of the roundtable and stakeholder discussion is to analyze the system's current state, identify areas for improvement, and pave the way for further reforms to ensure a secure and sustainable future for Nigerian retirees.

Consequently, the key objectives of the workshop include but are not limited to: ☐

Raise awareness: Inform participants about the current state of the pension system in Nigeria, including any challenges or areas for improvement. This involves explaining different types of pension plans, contribution structures, and benefit calculations.

☐ **Educate on the reforms:** Explain the details of pension reforms, as planned to include their goals, potential benefits, and potential drawbacks. This involves discussions on contribution changes, benefit structures, or the National Pension Commission's (PENCOM) role.

☐ **Facilitate discussion and feedback:** Create an area for participants to ask questions, share concerns, and offer feedback on the proposed reforms. This would help policymakers understand the potential impact of reforms on different stakeholders since its implementation.

☐ **Promote informed decision-making:** By raising awareness, educating on reforms, and facilitating discussion, the workshop would empower participants to

make informed decisions about their retirement planning and advocate for a sustainable pension system.

- **Build consensus:** Find common ground and build consensus on the need for reform and the best way to implement it.

To realise these objectives, the roundtable has as its cardinal strategic objectives as follows:

- a. To determine the effective operationalization of an effective pension administration in Nigeria by identifying challenges hampering the achievement of desired goals;
- b. To achieve and proffer progressive approaches and strategies for reforming and implementing a more productive and sustainable pension scheme that meets the needs of government and beneficiaries;
- c. To create opportunities for innovation as peer learning and standardization of processes which will drive increased professionalism and commitment in our service delivery to the citizen in particular so as the nation in general.
- d. To ensure that every person that worked in either the public or private sector in Nigeria receives his/her retirement benefits timely.
- e. Comprehensive exploration of imparting the effective operationalization in pension reform act in Nigeria and how best to address the institutional challenges with regards to pension transition.
- f. To address concerns of some agencies in respect of their retired officers.

2.2 ROUNDTABLE PARTICIPANTS

The one-day roundtable event brought together key stakeholders in the Nigerian pension sector. Through presentations, panel discussions, experience sharing, and interactive sessions, the event facilitated frank and open dialogue and knowledge-sharing. Participants in the workshop were stakeholders paramount to the subject of discussion. The Special Guest of Honour, Honourable Minister for Budget and National Planning, (FMBNP) HE Sen. Abubakar Atiku Bagudu (CON) was represented by Dr Emeka Vitalis Obi, mni, the Permanent Secretary in the Ministry. Other dignitaries include Prof Oladapo Afolabi, OON, CFR, former Head of Civil Service of the Federation. The Full list **of Participants** is attached to this report.

2.3 Opening Ceremony

The roundtable discussion kicked off at 10:30 am with the recitation of the National Anthem.

The welcome address by given by the Chief Host, Director General of the Bureau of Public Service Reforms (BPSR), Mr Dasuki Arabi. He welcomed all the participants present for the pension reform round table workshop. He highlighted that the Bureau of Public Reform is committed and steadfast in ensuring the reform policies' purpose is implemented. Also, he stated that the importance of having the workshop is to get pension stakeholders to review the challenges, problems, and opportunities, and gain insight on how to improve the Pension Act in implementation. He further stated the need to provide a sustainable and reliable pension scheme so that retirees can effortlessly access their money at the end of their years of service. He rounded up by prompting the participants to not hold back their opinions so that together they could all identify the gaps and problems the scheme and Nigerians are facing. The Director General further noted that the Bureau for Public Service Reforms remains steadfast in its commitment to pursuing effective governance structures and processes that meet the expectations of stakeholders and beneficiaries. The roundtable was therefore a testament to the Bureau's dedication to driving, embedding, and implementing reforms in pension management and overall service delivery in Nigeria.

Chairman's Opening Remark: The opening remark was made by the chairman, Prof. Oladapo Afolabi, OON, CFR. In his speech, he noted that the problems facing the Pension Reform Scheme in Nigeria today could be traced to failure to review the Policy every three years as recommended by the Act. He mentioned that generally reforms are continuous and must be revisited every three years which he encouraged the Bureau of Public Service Reforms (BPSR) to be committed to.

According to Prof. Oladapo Afolabi, the 2004 Pension Reform Act was created to address the problems facing the country's pension schemes as at that time. Some of the problems are insufficient funding, inefficient management, and unpaid benefits.

The 2004 Pension Reform Act has not addressed these problems as there are lots of complaints from retirees. He urged the Pension administrators and others imposition of authority not to turn deaf ears to the complaints of the people but rather, they should create avenues for frequent discussions with the beneficiaries. He gave an example of how citizens in the United States of America are happy to retire because they are sure of receiving their pension and have no fear of dropping their lifestyle. He concluded by charging the roundtable that it is an opportunity to see how to improve the Pension Act and the output of the workshop should be one that can be taken to the Federal Executive Council to initiate a reform of the Pension Act.

2.4 Goodwill Messages

The Permanent Secretary, FMBNP Dr. Emeka Vitalis Obi, mni, representing the Hon Minister of Budget and National Planning gave the goodwill message for the FMBNP. According to Dr. Obi, pension is a very vital subject of concern to all, and it is good that the BPSR has been able to identify the need to address the challenges. He further commended the BPSR for its effort in coming up with the roundtable discussion to review the Pension Reform Act. He further advised that after the workshop, he believes there would be a Policy Brief to proffer a solution to the identified challenges. He wrapped up by saying that the issue of pension is a dominant concern in the heart of the President and the recommendations from the workshop would be welcomed.

There was also a goodwill message from the Auditor General of the Federation (AGF) who was presented by Mr Abdelfattah Abioye who informed that the pension reform has brought significant improvement, but it is not without challenges. He said one of the purposes of the Pension Reform Act is to create financial security but this has not worked because the implementation process seemed to have failed. According to him, the Office of the Auditor General of the Federation plays a crucial role in safeguarding public fund and has carried out several audits on the pension scheme, focusing on compliance. He ended by saying the OAG is committed to ensuring transparency and accountability in the management of national funds and working with the pension bodies to ensure retirees are satisfied. The last goodwill message was presented by Mr. Chijioke Chuku a representative of the Director General of the Nigeria Governors Forum (NGF). He commended the BPSR for the initiative. According to him, the NGF represents the subnational and there are many questions unanswered about the Pension Reform Act. He believes answers would be provided by the end of the forum.

2.5 Technical Panel Sessions and Keynote Speakers

Session 1: In perspective: The Imperative for New Pension Act (Reformed) by **Ms Omotola Oshinowo**

Ms Omotola Oshinowo, the Principal Partner of Ampersand Nigeria Ltd, presented a keynote address on **Strengthening Nigeria's Pension Landscape.**

She informed the roundtable that a robust and sustainable pension system is not merely a financial instrument; it is a social contract between generations, a promise of security and dignity in old age.

She added that it is imperative to acknowledge the significant strides Nigeria has made in pension reform. The Contributory Pension Scheme (CPS) has undoubtedly revolutionized the way civil servants think about retirement savings. It has provided a platform for millions of Nigerian workers to secure their future and that of their families. However, while these achievements are celebrated, the roundtable participants must also recognize the challenges that persist. Issues such as delayed payments, inadequate returns, and the need for increased pension coverage remain pressing concerns.

To address these challenges and further strengthen our pension system, she suggested that Nigeria must prioritize the following:

1. Enhanced Regulatory Oversight

- ❑ **Strengthen Regulatory Institutions:** Empower regulatory bodies to effectively monitor and enforce pension laws and regulations.
- ❑ **Transparent and Accountable Governance:** Promote transparency, accountability, and good governance practices among pension fund administrators and trustees.

2. Diversification of Investment Portfolio

- ❑ **Explore Alternative Investments:** Encourage pension funds to diversify their investment portfolios beyond traditional assets to generate higher returns.
- ❑ **Risk Management:** Implement robust risk management strategies to protect pension assets from market volatility and other risks.

3. Improved Pension Administration

- ❑ **Streamline Processes:** Simplify administrative procedures to reduce delays and errors in pension disbursements.
- ❑ **Leverage Technology:** Utilize technology to enhance efficiency, transparency, and accessibility of pension services.

4. Financial Literacy and Education

- **Public Awareness Campaigns:** Conduct widespread public awareness campaigns to educate the public about the importance of pension savings and the benefits of the CPS.
- **Financial Literacy Programs:** Implement financial literacy programs to empower individuals to make informed decisions about their retirement planning.

5. Social Security for the Informal Sector

- **Develop Inclusive Pension Schemes:** Explore innovative solutions to extend pension coverage to the informal sector, such as voluntary pension schemes and social security programs.

By addressing these issues and implementing these recommendations, Nigeria can build a stronger, more sustainable, and equitable pension system for all Nigerians. The Keynote Speaker concluded that the reform of the Pension Act should focus on sustainability, reliability, and addressing the gaps of the reform. Pension should not only be protected but also invested to create value which also serves as an avenue to generate sufficient funds for retirees' payment when due.

Some private organisations do not subscribe to the Pension Act which should not be, therefore, the reform should include this in the area of focus for the new Pension Act. Every public and private organisation must adopt the Pension Scheme as it provides financial security for their employees in old age. Also, penalties should be in place for organisations not complying with the Pension Act or defaulting staff pensions to appropriate bodies.

Likewise, mechanisms for proper management of funds should be put in place.

Benefits of the Reform of Pension Act

- 1 It promotes National savings
- 2 Guarantee financial security for retirees
- 3 It promotes transparency and accountability in pension management.

The conversation around improving the Pension Act is paramount, it would be advantageous to understudy the pension scheme of other countries to check what system they put in place and how they have made the system work favourably. There is a need for the pension bodies to be proactive in identifying a failing scheme and system before it goes bad and proffering a solution or alternative solution. On this note, all the stakeholders should be ready to play their roles properly for the Reform to succeed.

Panelists

1. Kabiru Yusuf – Pension Transitional Arrangement Directorate (PTAD)
2. Jamila Shehu -Leadway Pension Limited
3. Comr. Omaji Samuel O. – Trade Union Congress (TUC).

The Panelists made incisive contributions around the following:

A. Challenges faced in implementing pension reforms in Nigeria:

The pension reform was set as an umbrella to help pensioners have a decent life after retirement from service. However, the opposite has been the case because the Act has not succeeded in achieving its main objective which is to help retirees sustain their lifestyle after years of service.

The enactment of the 2004 Pension Reform Act has brought about significant change, but in the last 20 years, it has not been able to meet the needs of changing times.

- ❑ Many viewed the Pension Act provisions as an escape from old age poverty but then it is not, because the pension received, house rent, healthcare, house management, and many more are taken care of making the fund insufficient for the retirees. Other elements like health insurance, access to free transport, and discounts on groceries for the old should be in place apart from the pension received.
- ❑ The Pension Fund Administrators (PFAs) which serve as the face of the collection mechanisms of Pensions are not friendly. Their level of accessibility and responsiveness to customers is not satisfactory.
- ❑ The PFAs have a backlog of payments yet to be made because of the delay from the government in funding the accrued rights and without this payment, the retirees cannot be paid.
- ❑ Employees are only concerned with their salaries and believe it is the sole responsibility of the PFAs to monitor the payment of their pension. Sometimes, money is sent to the wrong PFA and if it's not dictated until retirement, it will take a long time and process for the retirees to access their funds.
- ❑ The sensitization programmes for the beneficiaries are not enough to create solid awareness.
- ❑ There are no enforcement or penalties for organisation that do not implement the Pension Act. In some states, some government agencies have not adopted the 2004 Pension Act.

- ❑ The federal government's inconsistency in remitting its bit to the scheme is a result of poor operational patterns.
- ❑ The level of commitment on the part of the federal government is minimal which has hindered the success of the Pension Act over the years.
- ❑ The amount given to retirees is not sufficient to meet their needs.

B. Opportunities for improving pension benefits and sustainability ❑ The pension payments can no longer meet the purchasing power of the people because of the inflation rate. Therefore, the value of the fund needs to be protected.

- ❑ There is a need to make sure the macroeconomy environment protects the value of funds so that people do not have the option of exiting the pension umbrella.
- ❑ From the first day of employment, the employees should be planning for their retirement. It is therefore the responsibility of the employee to monitor their pension payment through their payslip. There is a need to know what amount is paid, and where it is paid i.e., the correct PFA.
- ❑ The contributory pension scheme gives room for growth and investment that encourages the beneficiaries.

C. Recommendations ❑ The employment system should be automated in calculating the retirement period and when it is time to retire, there is an automatic switch into the retirement system.

- ❑ The PFAs and other pension bodies saddled with the responsibility of creating awareness should ensure more sensitization programmes are carried out.
- ❑ There should be training for beneficiaries 6 months before retirement. This will serve as a guide on the process and necessary documents they need for accessing their funds and also how the funds can be used effectively.

- ❑ Retirees should be given a substantial amount to establish themselves for continuous sustainability.
- ❑ The federal government should monitor the pension scheme. There should be transparency and accountability on the part of the pension bodies.
- ❑ PenCom should step up its duties by going beyond just sanctioning the PFAs for their inefficiency and ensuring that the PFAs comply with the rules.
- ❑ There is a need for an emergency programme to crash the timeline set for receiving pension funds to encourage the beneficiaries.

Session 2: The Impact, Challenges, and Opportunities of Pension in the Nigerian Economy by Dr. Sani Emmanuel, the Legal Adviser and Commission Secretary of PenCom.

The speaker noted that the Pension Reform Act (2014) enables retirees to receive their benefits more efficiently. The Pension Act was able to bring both employers and employees to contribute towards a secured future for Nigerian workers. Despite the changes the reform has brought, it also has its challenges. PenCom notwithstanding, is committed to working on how the reform can be improved.

Over the years, PenCom has been dedicated to seeing how the timeline for retirees to access their benefits can be reduced. Some of the challenges that PenCom is trying to combat are:

-Low public awareness -Non-compliance to the Pension Act in the private sector -Pension inadequacy

In addressing some of these challenges, PenCom has introduced several initiatives that have provided significant relief to retirees. In 2023 there was a rise in the monthly payment of the pensioners. Also, the new initiative recently allows retirees access to a certain percentage of their money to purchase equity.

The 2004 Pension Reform Act does not govern the State Pension Scheme which is why some state seems to default in committing to the established Pension Act.

Panelists

Eahosa M. Omoigui-Nigeria Governor's Forum (NGF) Elizabeth Adu-Competition and Consumer Protection Tribunal (CCPT) Michaki Timothy-NLPC Pension Fund Administrator Limited (NLPC PFA)

The Panelists made contributions around the following:

Improving the Governance and Oversight of Pension Funds

The governance structure of the pension bodies needs to be properly defined. With a well-defined governance structure, policies can be properly monitored and penalties can be meted out for defaulters.

The focus seems to be on the public and private sectors neglecting the informal sector. All sectors should be carried along in the Pension Act Reform.

Enhancing the investment performance of pension funds

- ☐ The regulators of the scheme should be committed to checking the PFAs' activities.
- ☐ More awareness should be made to Nigerians, letting them know that pensions are not only for the private and public sectors but for also the informal sector.
- ☐ There should be a feedback mechanism for the PFAs from the employers and employees.
- ☐ All stakeholders need to be on the same table in terms of engagement.
- ☐ To enhance investment performance, the pension bodies need to be clear on what their objectives are and there should be an agreement on how to go about it.

Risk management strategies for pension funds

- ☐ There should be proper structure and balance in the activities of the states to prevent backlogs of unpaid pensions.

- The question of “How secure are the funds?” should be answered. Let the beneficiaries be aware of the protection of their funds.
- Also, the funds should be insured, so that in the case of a bad investment, the beneficiary can still get something tangible back.

Session 3: The Imperative for New Pension Act (Reformed) by the Director General of the Nigeria Employers Consultative Association, NECA Represented by Mr Jide Afolabi.

The Pension Reform Act of 2014 aimed to address Nigeria's pension challenges but implementation hurdles and emerging issues necessitated a need for reform. The Nigeria pension scheme has undergone significant transformations from the 2004 Pension Act to the 2014 reform. Despite the progress of the reform, there are still a lot of challenges. Poor investment returns, high administrative costs, lack of transparency and accountability, and weak regulatory framework, among others are some of the challenges the scheme faces.

Information concerning pension funds should be made available for transparency, compliance is key on the part of employees and employers Opportunities

- i. We live in a world of technology, therefore there is a need for technology integration into the system.
- ii. Technological platforms should be leveraged for efficient pension management.
- iii. Diverse investment options should be explored to enable growth

Recommendations

- i. Establish a hybrid pension system for managing benefits and contributions
- ii. Worker participation should be encouraged in pension-making decisions.
- iii. Strengthen PenCom's oversight
- iv. Promote pension literacy among workers
- v. Continuous reviewing and update of pension policies

Panelists:

Victoria Bature-Premium Pensions Ltd Samson Achimugu-Norrenberger Pension Limited Mrs. Rose D. Gyar-Global Centre for Human Empowerment and Entrepreneurship Development (GLDCHEED) Civil Society Organisation.

Impact of Pension Reform

The Pension Reform Act was introduced because of the shortcomings of the old pension scheme. The Pension Reform Act has addressed some of the challenges and has proven to be better but not perfect. The Pension Act allows you to take 25% of your pension

before retirement. Also, the private sector has been made to join the contributory pension scheme to secure their employees' financial strength in old age.

The role of Public Service Unions in Pension Reforms

The role of the Public Service Union cannot be overemphasized. The union plays a big role in getting access to the beneficiaries. The union can persuade the beneficiaries to attend sensitization programmes, and the union can communicate awareness.

The people communicate their plight and suggestions through their unions to the government.

Ensuring sustainability of pension reform

- ☐ There should be a platform for more inclusion of the operators.
- ☐ There is a need for more collaborations and partnerships with the stakeholders.
- ☐ During sensitization programmes, information on why pensions are important, their benefits, and how to access the funds should be properly explained to encourage people to join pension schemes.
- ☐ Feedback, evaluation, and appraisal mechanisms should be adopted. It gives room for the identification of flaws and areas for improvement

Conclusion

The workshop ended with a closing remark by the Lead Consultant, Dr. Steve Ogidan, mni. He appreciated everyone for honoring the invitation to the roundtable discussion.

After the interactive workshop with contributions from various stakeholders, a policy brief would be prepared and submitted which would serve as a guide for the BPSR in engaging with the government. Dr Steve Ogidan, highlighted the summary of the issues discussed and recommended as follows to go into the Policy Brief and Implementation Strategy

Preamble: The Bureau of Public Service Reforms (BPSR) organized a Roundtable on the Nigeria Pension Reforms Act 2014 to review the implementation of the Act, identify challenges, and proffer solutions for improved pension administration in Nigeria. The Roundtable brought together stakeholders from the public and private sectors, including representatives of Pension Fund Administrators (PFAs), Pension Fund Custodians (PFCs), labor unions, and relevant government agencies.

Observations:

The Roundtable observed that the Pension Reforms Act 2014 has brought about significant improvements in pension administration in Nigeria, including:

- ❑ Increased coverage of the Contributory Pension Scheme (CPS)
- ❑ Enhanced safety and security of pension funds
- ❑ Improved investment returns on pension assets
- ❑ Greater transparency and accountability in pension administration

However, the Roundtable also identified some challenges in the implementation of the Act, including:

- ❑ Low level of compliance by some employers
- ❑ Inadequate public awareness and understanding of the CPS
- ❑ Delays in the processing of retirement benefits
- ❑ Challenges with the transfer of funds from one PFA to another

Recommendations:

The Roundtable made the following recommendations to address the challenges and further strengthen the pension system in Nigeria:

- ❑ **Enhance enforcement of compliance:** PENCOM should intensify efforts to ensure that all eligible employers and employees comply with the provisions of the Act.
- ❑ **Strengthen public awareness:** A sustained public awareness campaign should be launched to educate the public on the benefits and workings of the CPS.
- ❑ **Improve efficiency in benefit processing:** PENCOM and PFAs should streamline processes to ensure timely payment of retirement benefits.
- ❑ **Simplify fund transfer procedures:** The process for transferring funds between PFAs should be made easier and more efficient.
- ❑ **Review the investment framework:** The investment framework for pension funds should be reviewed periodically to ensure optimal returns and safety of funds.
- ❑ **Enhance data management:** PENCOM should strengthen its data management capabilities to improve oversight and monitoring of the pension industry.
- ❑ **Promote alternative retirement income products:** Explore and encourage the development of alternative retirement income products, such as annuities, to provide pensioners with more options for managing their retirement funds.
- ❑ RSAs should send detailed breakdown of statements of account to employees and it should include ROI since they trade with our pension contribution. RSAs should be compelled to sensitive employees on their platform the different packages they have. Public servants should be encouraged to participate in sensitization programmes affecting them.

Conclusion:

The Roundtable affirmed its commitment to the successful implementation of the Pension Reforms Act 2014 and called on all stakeholders to work together to ensure a sustainable and efficient pension system in Nigeria. The BPSR will continue to play its role in promoting good governance and effective public service delivery, including in the area of pension administration.



APPENDICES

**CONCEPT NOTE ON THE SENSITISATION
WORKSHOP ON THE IMPACTS OF
PENSION REFORMS ACT
IN NIGERIA**

**CONCEPT NOTE ON THE SENSITISATION WORKSHOP ON THE
IMPACTS OF REFORMS NIGERIA
2024**

**PENSION
ACT IN**



INTRODUCTION

Public Service institutions are critical in promoting sustainable and equitable social and economic growth. Consequently, the administrative capacity of the public service is a key factor in the effective implementation of government policies and programmes. The development challenges faced by Nigeria notably, poverty, unemployment, insecurity, and poor infrastructure could, to a large extent, be attributed to the weak performance of the public service governance architecture. This has over the years undermined the development and service delivery efforts at all levels of government.

Nigeria's pension system underwent significant reforms in 2004 with the introduction of the Pension Reform Act 2004 as amended in 2014. This act transitioned the country from a defined benefit scheme to a contributory scheme, managed by private Pension Fund Administrators (PFAs). The reforms aimed to improve retirement security, encourage savings, and bolster domestic capital markets. Since then, reforms in the sector have focused on increasing worker participation, improving investment returns, and ensuring transparency and accountability within the pension system. These reforms are laudable, and they have thrown up some challenges.

The main legislation governing pension reforms in Nigeria is the **Pension Reform Act (PRA) 2014**. It repealed the previous Pension Reform Act of 2004 and established a **Contributory Pension Scheme (CPS)** for both public and private sector employees.

Some key aspects of the PRA 2014 are:

- ❑ **Establishes a mandatory CPS:** The Act requires most employers to enroll their employees in the CPS. This means both employers and employees contribute a portion of their salary towards the employee's retirement savings account.
- ❑ **Sets contribution rates:** The Act specifies the contribution rates for employers and employees. As of July 2024, the standard contribution rate is 8% each, with the employer contributing 10% and the employee contributing 8% to the Retirement Savings Account (RSA).
- ❑ **Creates a regulatory framework:** The Act establishes the National Pension Commission (PENCOM) as the regulator of the pension industry. PENCOM oversees Pension Fund Administrators (PFAs), Pension Fund Custodians (PFCs), and other stakeholders in the CPS.

- **Defines benefits:** The Act outlines the types of benefits available to retirees under the CPS, such as programmed withdrawal, annuity purchase, and a lump sum benefit.

In recognition of these challenges, the Bureau of Public Service Reforms (BPSR) as the government-led agency on Reforms has scheduled a one-day round table on the Impacts of Pension Reforms in Nigeria.

OBJECTIVES

This one-day roundtable on the impacts, challenges, and opportunities for improving the pension reforms in Nigeria aims to analyze the current state of the system, identify areas for improvement, and pave the way for further reforms to ensure a secure and sustainable future for Nigerian retirees. This workshop has several key objectives including but are not limited to:

Raise awareness: Inform participants about the current state of the pension system in Nigeria, including any challenges or areas for improvement. This would involve explaining different types of pension plans, contribution structures, and benefit calculations.

Educate on the reforms: Explain the details of pension reforms, as planned to include their goals, potential benefits, and potential drawbacks. This would involve discussions on contribution changes, benefit structures, or the role of the National Pension Commission (PENCOM).

Facilitate discussion and feedback: Create an area for participants to ask questions, share concerns, and offer feedback on the proposed reforms. This would help policymakers understand the potential impact of reforms on different stakeholders since its implementation.

Promote informed decision-making: By raising awareness, educating on reforms, and facilitating discussion, the workshop would empower participants to make informed decisions about their retirement planning and advocate for a sustainable pension system.

Build consensus: Find common ground and build consensus on the need for reform and the best way to implement it.

METHODOLOGY

This one-day roundtable event will bring together key stakeholders in the Nigerian pension sector. Through presentations, panel discussions, experience sharing, and interactive sessions, the event will facilitate frank and open dialogue and knowledge-sharing

PARTICIPANTS

- Representatives from Pension Fund Administrators (PFAs)
- Directors of Reforms from Ministries, Departments, and Agencies (MDAs)
- Regulators and Key Pension Officials

USER DEPARTMENT

Reforms Coordination Department, Bureau of Public Service Reforms is the user department and process owner within the BPSR.

FUNDING

This roundtable event will be funded by the Bureau of Public Service Reforms (BPSR).

EXPECTED OUTCOMES

The pension reforms sensitisation workshop shall achieve the following outcomes:

Increased Knowledge and Awareness:

- Participants will gain a deeper understanding of the current pension system and proposed reforms.
- Improved clarity on complex issues like contribution rates, benefit structures, and the role of pension regulators as well as the delay in benefits payments.

Enhanced Engagement and Feedback:

- Participants actively engage in discussions, ask questions, and express their concerns about the reforms.
- Valuable feedback is collected from stakeholders (employers, employees, retirees) to inform policy decisions.

Actionable Insights and Recommendations:

- Participants will propose solutions and suggest modifications to the reform proposals.

- The workshop will generate a Policy Brief for the Federal Executive Council supported by a full report summarizing key takeaways and potential action items.
- Highlights areas to be amended in the Pension Reform Act

Shift in Attitudes and Behaviors: □ Increased public support for pension reform, especially if concerns are addressed. □ A more informed citizenry can make better retirement planning decisions. □ (For specific workshops): Increased private sector enrollment in the Contributory Pension Scheme (CPS). □ Enhanced understanding of the pension reforms, including their successes, challenges, and areas for improvement. □ Collaboratively identify and work towards solutions for current challenges in the pension sector. □ Generate actionable policy recommendations and implementation strategies to be presented to the Federal Executive Council for consideration.



PENSION REFORMS ROUNDTABLE AND WORKSHOP OCTOBER 22, 2024.

ROUNDTABLE ON THE IMPACTS OF THE PENSION REFORM ACT IN NIGERIA

Date: October 22, 2024

9.30 -10.00 Arrival and Registrations of participants

10.0 – 10.10 National Anthem

10.10 – 10.20 Welcome Address by the Director General BPSR

10.20 – 10.40 Opening Remarks by the Chairman: Prof Oladapo Afolabi, OON, CFR

10.40 – 11.10 Goodwill Messages:

11.10 – 11.30 **Tea Break**

PANEL SESSIONS

11.30 – 12.00 **Session 1:** *In perspective: The Imperative for the New Pension Act (Reformed)* by **Ms Omotola Oshinowo (Speaker)** **Moderator: Dr Haggai Gutap** **Panelists:**

- Trade Union Congress (TUC) □ Nigeria Union of Pensioners (NUP) □ Pension Transitional Arrangement Directorate (PTAD)

DISCUSSION/QUESTIONS

Discussion Topics:

12.00 – 12.10 Challenges faced in implementing pension reforms in Nigeria

12.10 – 12.20 Opportunities for improving pension benefits and sustainability

12.20 – 12.30 **Best practices from other countries**

12.30 – 12.40 **The role of Technology in pension administration**

12.40 – 1.20 **Session 2: The Impact, Challenges, and Opportunities of Pension in the Nigerian Ecosystem** by **Omolola Bridget Oloworaran, DG**

PenCom (Speaker) Moderator: Ms Omotola Oshinowo Panelists:

□ DG, Nigeria Governors Forum □ Nigeria
Labour Congress (NLC) □ Stanbic IBTC Pension
Managers Limited

DISCUSSION/QUESTIONS

Discussion Topics:

1.20 – 1.30 Improving the governance and oversight of pension funds

1.30 – 1.40 **Enhancing the investment performance of pension funds** 1.40– 1.50

Risk management strategies for pension funds

1.50 – 2.00 The role of pension fund administrators in ensuring efficient and transparent operations

2.00 – 2.30 **Session 3: The Imperative for the New Pension Act (Reformed): by the DG Nigeria Employers' Consultative Association (NECA) Moderator: Dr. Vitalis Obi, mni, Permanent Secretary Panelists:**

□ NPF Pensions Limited □ FCMB Pensions
Limited □ Permanent Secretary, GSO,
OSGF

DISCUSSION/QUESTIONS

Discussion Topics:

2.30 – 2.40 The impact of pension reforms on public service delivery

2.40 – 2.50 Ensuring the sustainability of pension schemes in the long term

2.50 – 3.00 The role of public service unions in pension reforms

3.0 – 3.10 Closing Remarks by Prof Oladapo Afolabi, OON, CFR

3.10 – 3.25 Communique

3.25 Closing and Lunch



BUREAU OF PUBLIC SERVICE REFORMS

ONE DAY SENSITIZATION WORKSHOP ON THE IMPACTS OF PENSION REFORMS ACT IN NIGERIA
@SHEHU MUSA YAR; ADUA CENTRE, ABUJA ON 22ND OCTOBER, 2024



BUREAU OF PUBLIC SERVICE REFORMS

ONE DAY SENSITIZATION WORKSHOP ON THE IMPACTS OF PENSION REFORMS ACT IN NIGERIA
@SHEHU MUSA YAR; ADUA CENTRE, ABUJA ON 22ND OCTOBER, 2024









Director-General, Bureau of Public Service Reform, Mr. Dasuki Arabi. Professor Oladapo Afolabi, OON,CFR



Dr Emeka Vitalis Obi, mni, Permanent Secretary, FMPNP







Session 1, Moderator – Dr. Haggai Gutap, Panelists' – Trade Union Congress, Nigeria



Union of Pensioners, Pension Transitional Arrangement Directorate



Session 1, Moderator – Dr. Haggai Gutap, Panelists' – Trade Union Congress, Nigeria Union of Pensioners, Pension Transitional Arrangement Directorate



Tea break session

Tea break session





Session 2, Moderator – Ms. Omotola Oshinowo, Panelists-DG, Nigeria Governors Forum, Nigeria life & provident company, Competition and consumer protection



tribunal



Q & A Session



Session 2, Moderator – Ms. Omotola Oshinowo, Panelists-DG, Nigeria Governors Forum, Nigeria life & provident company, Competition and consumer protection



tribunal.



Session 3, Panelists – Premium Pension, Global centre for human empowerment & entrepreneurship development, Norrenberger Pensions Limited









Closing Remark by Dr. Steve Ogidan mni, MD/CEO Successory Nigeria Limited





Cross section of the lunch serving table





**ONE DAY SENSITIZATION WORKSHOP ON IMPACTS OF PENSION REFORMS ACT IN
NIGERIA, HELD AT THE YAR'ADUA CENTRE, ABUJA , 22ND OCTOBER, 2024
ATTENDANCE LIST**

S/No	NAME OF PARTICIPANT	ORGANIZATION & DESIGNATION	GSM NO.	EMAIL ADDRESS
1	IBRAHIM KASSW	BPSR	08036309116	
2	JIDE AFOLABI	EMPLOYERS ASS FOR PEA OF NIGERIA (EAPEN)	08032025087	Jafolabi@eapean.org
3	JUSTICE JONATHAN SHEKARI	DSS	08027761515	jjshekari@yahoo.com
4	ADANOLA AKYATO	PTAD	0808076532	aakinto@ptad.org
5	ABUBAKAR HASSAN	BPSR GOMBE	08024340401	abubakarhassan504@gmail.com
6	COMR.OMAJI SAMUEL O.	TUC	08064086480	omajisamuehyi@gmail.com
7	MRS MONICA CHIDINMA CHUKWUDI	NIMASA	09043180081	macetrine@gmail.com
8	ISHAQ USMAN	LEADWAY PFA	08065727816	Usmanishaqq@gmail.com
9	JOSEPH AMEH	TRUSTFUND PENSION	09081721192	amehjoseph@trustfundpension.org
10	ELIZEBATH ADU	CCPT	0703855906	bethjadudeeee@gmail.com
11	AMINA AHMADU	CBN	0803293535	aminaahmad@yahoo.com
12	CHIJOKE CHUKWU, ESQ	NGF	08033144648	cchuku@ngf.org.ng
13	OGUALAYE JAMES	NLPC PENSION	08034771296	jamesogualeye@npcpfa.com
14	USMAN ILIYA BATUERE	PRNIGERIA	07056923713	luyabature2022@gmail.com
15	ALIYU USMAN A.	BPSR HEAD COM.	08034506428	aliyuusmanbasr.sou.ng
16	OFURE J. MOHAMMED	BPSR CAMERA	08072526564	ofure11@gmail.com
17	IKECHUKWU INNOCENT	BPSR	07032880169	ikinnocent8@gmail.com
18	JOE OFFOBOCHE	DSS	08069079548	offobchej@gmail.com
19	KABIRU B. YUSUF	PTAD	07062282490	kyusuf@ptad.gov.ng
20	OMOTOLA OSHUNE	AMPERSAND	08033208275	tolaforeal@yahoo.com
21	OLADIPO AFOLABI	SELF	08037153487	oladipoaafolabi@yahoo.com
22	ADEDEYIN M.O	F.M. ENVIRONMENT	08061500861	olumoode@gmail.com
23	ABDUFATAH ABIOYE	OAUGF	08023529115	asdulfatahiabioye@oaugf.ng
24	PHILIPS OGONBA, IBFURO	FMHUD	08033149136	ibfuroogoniba@gmail.com
25	MRS ROSE D.S. GYAR	GLOCHEED	08036253839	vineaa2005@yahoo.com
26	JAMILA SHEHU	LEADWAY PENSION PPA LTD	080331133683	j.shehu@leadwaypensure.com
27	ECHICHE, ROSE USHIE	CCPT	070694174083	roserhema.u@gmail.com
28	VAL UCHECHUKWU	TRUSTFUND PENSION	08089160414	stvalunachukwu@yahoo.com
29	O. KELECHI	BPSR	07039091610	Kechulo12@gmail.com

S/No	NAME OF PARTICIPANT	ORGANIZATION & DESIGNATION	GSM NO.	EMAIL ADDRESS
1	IBRAHIM KASSW	BPSR	08036309116	
2	JIDE AFOLABI	EMPLOYERS ASS FOR PEA OF NIGERIA (EAPEN)	08032025087	Jafolabi@eapean.org
3	JUSTICE JONATHAN SHEKARI	DSS	08027761515	jjshekari@yahoo.com
4	ADANOLA AKYATO	PTAD	0808076532	aakinto@ptad.org
5	ABUBAKAR HASSAN	BPSR GOMBE	08024340401	abubakarhassan504@gmail.com
6	COMR.OMAJI SAMUEL O.	TUC	08064086480	omajisamuehyi@gmail.com
7	MRS MONICA CHIDINMA CHUKWUDI	NIMASA	09043180081	macetrine@gmail.com
8	ISHAQ USMAN	LEADWAY PFA	08065727816	Usmanishaqq@gmail.com
9	JOSEPH AMEH	TRUSTFUND PENSION	09081721192	amehjoseph@trustfundpension.org
10	ELIZEBATH ADU	CCPT	0703855906	bethjadudeee@gmail.com
11	AMINA AHMADU	CBN	0803293535	aminaahmad@yahoo.com
12	CHIJIKE CHUKWU, ESQ	NGF	08033144648	cchuku@ngf.org.ng
13	OGUALAYE JAMES	NLPC PENSION	08034771296	jamesogualeye@npcpfa.com
14	USMAN ILIYA BATURE	PRNIGERIA	07056923713	luyabature2022@gmail.com
15	ALIYU USMAN A.	BPSR HEAD COM.	08034506428	aliyuusmanbasr.sou.ng
16	OFURE J. MOHAMMED	BPSR CAMERA	08072526564	ofure11@gmail.com
17	IKECHUKWU INNOCENT	BPSR	07032880169	ikinnocent8@gmail.com
18	JOE OFFOBOCHE	DSS	08069079548	offobchej@gmail.com
19	KABIRU B. YUSUF	PTAD	07062282490	kyusuf@ptad.gov.ng
20	OMOTOLA OSHUNE	AMPERSAND	08033208275	tolaforeal@yahoo.com
21	OLADIPO AFOLABI	SELF	08037153487	oladipoaafolabi@yahoo.com
22	ADEDEYIN M.O	F.M. ENVIRONMENT	08061500861	olumoode@gmail.com
23	ABDUFATAH ABIOYE	OAUGF	08023529115	asdulfatahiabioye@oaugf.ng
24	PHILIPS OGONBA, IBFURO	FMHUD	08033149136	ibfuroogoniba@gmail.com
25	MRS ROSE D.S. GYAR	GLOCHEED	08036253839	vineaa2005@yahoo.com
26	JAMILA SHEHU	LEADWAY PENSION PPA LTD	080331133683	j.shehu@leadwaypensure.com
27	ECHICHE, ROSE USHIE	CCPT	070694174083	roserhema.u@gmail.com
28	VAL UCHECHUKWU	TRUSTFUND PENSION	08089160414	stvalunachukwu@yahoo.com
29	O. KELECHI	BPSR	07039091610	Kechulo12@gmail.com
30	OKON M.I	BPSR	08180661306	merejiokon@yahoo.com
31	JULIE IKONNE	BPSR	08035976798	julieikon@gmail.com
32	ASEMAH A.O	BPSR	08033735437	asemolaju@yahoo.com
33	BOLANLE	NORRENBERGER	08172014432	bdanleantotu@norrenber

S/No	NAME OF PARTICIPANT	ORGANIZATION & DESIGNATION	GSM NO.	EMAIL ADDRESS
1	IBRAHIM KASSW	BPSR	08036309116	
2	JIDE AFOLABI	EMPLOYERS ASS FOR PEA OF NIGERIA (EAPEN)	08032025087	Jafolabi@eapean.org
3	JUSTICE JONATHAN SHEKARI	DSS	08027761515	jjshekari@yahoo.com
4	ADANOLA AKYATO	PTAD	0808076532	aakinto@ptad.org
5	ABUBAKAR HASSAN	BPSR GOMBE	08024340401	abubakarhassan504@gmail.com
6	COMR.OMAJI SAMUEL O.	TUC	08064086480	omajisamuehyi@gmail.com
7	MRS MONICA CHIDINMA CHUKWUDI	NIMASA	09043180081	macetrine@gmail.com
8	ISHAQ USMAN	LEADWAY PFA	08065727816	Usmanishaqq@gmail.com
9	JOSEPH AMEH	TRUSTFUND PENSION	09081721192	amehjoseph@trustfundpension.org
10	ELIZEBATH ADU	CCPT	0703855906	bethjadudeee@gmail.com
11	AMINA AHMADU	CBN	0803293535	aminaahmad@yahoo.com
12	CHIJIKE CHUKWU, ESQ	NGF	08033144648	cchuku@ngf.org.ng
13	OGUALAYE JAMES	NLPC PENSION	08034771296	jamesogualeye@npcpfa.com
14	USMAN ILIYA BATURE	PRNIGERIA	07056923713	luyabature2022@gmail.com
15	ALIYU USMAN A.	BPSR HEAD COM.	08034506428	aliyuusmanbasr.sou.ng
16	OFURE J. MOHAMMED	BPSR CAMERA	08072526564	ofure11@gmail.com
17	IKECHUKWU INNOCENT	BPSR	07032880169	ikinnocent8@gmail.com
18	JOE OFFOBOCHE	DSS	08069079548	offobchej@gmail.com
19	KABIRU B. YUSUF	PTAD	07062282490	kyusuf@ptad.gov.ng
20	OMOTOLA OSHUNE	AMPERSAND	08033208275	tolaforeal@yahoo.com
21	OLADIPO AFOLABI	SELF	08037153487	oladipoaafolabi@yahoo.com
22	ADEDEYIN M.O	F.M. ENVIRONMENT	08061500861	olumoode@gmail.com
23	ABDUFATAH ABIOYE	OAUGF	08023529115	asdulfatahiabioye@oaugf.ng
24	PHILIPS OGONBA, IBFURO	FMHUD	08033149136	ibfuroogoniba@gmail.com
25	MRS ROSE D.S. GYAR	GLOCHEED	08036253839	vineaa2005@yahoo.com
26	JAMILA SHEHU	LEADWAY PENSION PPA LTD	080331133683	j.shehu@leadwaypensure.com
27	ECHICHE, ROSE USHIE	CCPT	070694174083	roserhema.u@gmail.com
28	VAL UCHECHUKWU	TRUSTFUND PENSION	08089160414	stvalunachukwu@yahoo.com
29	O. KELECHI	BPSR	07039091610	Kechulo12@gmail.com
30	OKON M.I	BPSR	08180661306	merejiokon@yahoo.com
31	JULIE IKONNE	BPSR	08035976798	julieikon@gmail.com
32	ASEMAH A.O	BPSR	08033735437	asemolaju@yahoo.com
33	BOLANLE	NORRENBERGER	08172014432	bdanleantotu@norrenber

S/No	NAME OF PARTICIPANT	ORGANIZATION & DESIGNATION	GSM NO.	EMAIL ADDRESS
1	IBRAHIM KASSW	BPSR	08036309116	
2	JIDE AFOLABI	EMPLOYERS ASS FOR PEA OF NIGERIA (EAPEN)	08032025087	Jafolabi@eapean.org
3	JUSTICE JONATHAN SHEKARI	DSS	08027761515	jjshekari@yahoo.com
4	ADANOLA AKYATO	PTAD	0808076532	aakinto@ptad.org
5	ABUBAKAR HASSAN	BPSR GOMBE	08024340401	abubakarhassan504@gmail.com
6	COMR.OMAJI SAMUEL O.	TUC	08064086480	omajisamuehyi@gmail.com
7	MRS MONICA CHIDINMA CHUKWUDI	NIMASA	09043180081	macetrine@gmail.com
8	ISHAQ USMAN	LEADWAY PFA	08065727816	Usmanishaqq@gmail.com
9	JOSEPH AMEH	TRUSTFUND PENSION	09081721192	amehjoseph@trustfundpension.org
10	ELIZEBATH ADU	CCPT	0703855906	bethjadudeee@gmail.com
11	AMINA AHMADU	CBN	0803293535	aminaahmad@yahoo.com
12	CHIJIJOKE CHUKWU, ESQ	NGF	08033144648	cchuku@ngf.org.ng
13	OGUALAYE JAMES	NLPC PENSION	08034771296	jamesogualeye@npcpfa.com
14	USMAN ILIYA RATIIRF	PRNIGERIA	07056923713	luyabature2022@gmail.com

MEDIA

ON WORKSKP ON IMPACTS OF PENSION REFORMS ACT IN NIGERIA ATTENDANCE LIST:

S/No	NAME OF PARTICIPANT	ORGANIZATION & DESIGNATION	GSM NO.	EMAIL ADDRESS
1	IBRAHIM KASSW	BPSR	08036309116	
2	JIDE AFOLABI	EMPLOYERS ASS FOR PEA OF NIGERIA (EAPEN)	08032025087	Jafolabi@eapean.org
3	JUSTICE JONATHAN SHEKARI	DSS	08027761515	jjshekari@yahoo.com
4	ADANOLA AKYATO	PTAD	0808076532	aakinto@ptad.org
5	ABUBAKAR HASSAN	BPSR GOMBE	08024340401	abubakarhassan504@gmail.com