

Determination of the Level of Acceptance and Compliance to the New Pension Scheme in Nigeria

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Abstract

This paper reviews the new pension scheme in Nigeria viz a viz the basic philosophy and objectives of pension schemes generally. It chronicles the various efforts and challenges at administering an effective pension scheme in Nigeria over the years with particular focus on the level of acceptance and compliance by all the stake holders in the new scheme. It notes that much as the new scheme is far better than the old ones, much has to be done through education and enlightenment to get the cooperation, interest, acceptance and compliance by all the critical stake holders. This is critical in view of the rapidly increasing population of the aged in Nigeria and given the predominant level of corruption in the conduct of public affairs in Nigeria. It is hoped that through the strengthening of critical accountability and control institutions and speedy adoption and adaptation of the new International Financial Reporting Standard and most importantly the strengthening of both legal and accounting infrastructure in Nigeria, the new pension scheme will succeed.

1. Introduction

The purpose of occupational pension scheme is to provide employees regular and stable income after their retirement from service. It is an arrangement an employer or a group of employers use(s) to provide pension (and sometimes other) benefits for their employees when they leave or retire. They also provide benefits to the employee's dependant if the employee dies. This scheme is usually funded by contributions from just the employer, or from both the employer and the employee. A good pension scheme does not only serve as an incentive to employees but helps to attract and retain experienced staff. According to Dike (2006) the main objective of pension fund is to provide an employee at the date of his retirement a lump sum or a stream of payment that will ensure that the retiree's standard of living after retirement is not much different from what obtained in the period immediately preceding his retirement.

The first pension legislation in Nigeria was enacted in 1951 by the British colonial administration, referred to as the Pension Ordinance, with retrospective effect from 1st January, 1946. The pension which was initially designed for colonial officers who were moved from post to post in the vast British Empire was to ensure their continuity of service wherever and whenever they were deployed to serve the colonial administration. When the law eventually became applicable to Nigerians, the application was at the discretion of the Governor – General. Pension was therefore not a right for Nigerians under the Ordinance. To redress this, a new Pensions Act was enacted in 1979 referred to as the Pensions Act No. 102 of 1979; retroactively effective from 1st April, 1974. The Act consolidated all enactments on pensions and incorporated pensions and gratuity scales designed for public officers by the Udoji Public Service Review Commission in 1974. It also became the basic pension law from which other pensions laws in Nigeria emerged. These laws include:

- Armed Forces Pensions Act No. 103 of 1979. The Act consolidated all enactments dealing with pension benefits and gratuity scales for the Armed Forces.
- Pension Rights of Judges Decree No. 5 of 1985.
- The New Pension Reform Act 2004 (Federal Republic of Nigeria Official Gazette No. 60 Lagos – 30th June 2004 Vol.

The objective of this study is thus to evaluate pension fund administration in Nigeria with reference to the level of acceptance and compliance to the new pension scheme.

2 Pension in perspective.

Pension is a form of social security for the retired. It is meant to serve as a supplementary source of income to retired workers when their current earning power ceases (Modigliani and Muralidhar, 2004). It has been defined as “a sum of money paid regularly to a person who no longer works because of age, disablement, etc, or to his widow or dependent children, by the state, by his former employers or from funds to which he and his employers have both contributed” (Onifade, 2001). The word pension is an amount of money paid regularly by a government or a company to someone who is officially considered to be too old or ill to earn money by continuing to work. Alternatively, pension can also be defined as periodic payment to one who retired from work as a result of old age or disability (Chinwuba, 2004).

2.1 The Essence and Features of Pension Schemes

The primary purpose of a Pension Scheme is to help households achieve an allocation of life resources by smoothing consumption over life, as postulated in the Life-Cycle Hypothesis (LCH). This is achieved by transferring resources from ones working life to post-retirement when income dries up (Modigliani and Muralidhar, 2004). Aaron and Reischaver (1988) suggest that the primary reasons for the state to provide this arrangement is the belief that many citizens are myopic and lack the information to enable them accumulate adequate resources for retirement. An extension of this paternalistic view is the idea that many segments of the society may not be sophisticated enough to set up appropriate arrangement. Another reason is the absence of developed insurance markets due to informal deficiencies and capital markets that put annuities beyond the reach of most people. In addition, pockets of severe poverty have developed among those whose lifetime incomes were too low to cover minimally adequate consumption levels during their retirement as well as working years (the long term poverty problem) (World Bank, 1994). All these have necessitated the need for government involvement in the provision of retirement benefits.

2.2 Types of Pension Plan

Pension System can be broadly categorised by the benefits they promise and the way they finance that promise. The choice is often between two types of pension plans: defined-benefit (DB) and Defined-Contribution (DC)

2.2.1 Defined-Benefit Plan

The essence of a Defined-Benefit Pension Plan is that it provides a “defined-benefit” – a pre-specified annuity either in absolute currency or as a fraction of a measure of salary (for example, a defined percentage of the final salary or an average of some past years of salary). The guaranteed pension benefit could be in either real or nominal terms. If real, it is indexed to the inflation rate and if nominal, it is indexed to the inflation rate (Modigliani and Muralidhar, 2004). In Defined-Benefit Plans, participants, sponsors, or both make contributions that could change over time. The ratio of annuity or benefit to a measure of salary is known as the “Replacement Rate”. The participants may be unaware of any relationship between contribution and benefits. However, the administrators of the system and pension finance experts know there is a unique “budget constraint” that links contributions, returns and benefits to a given replacement rate. Defined-Benefit plans rely on inter and intra generational pooling of investment and liability risk, which is called the “social allocation of risk” (Modigliani and Muralidhar, 2004).

2.2.2 Defined-Contribution Plan

In Defined-Contribution Pension Scheme, participants, sponsors, or both make pre-specified contributions. The Plan specifies contribution either in absolute currency or as a fraction of a measure of salary (e.g. N10, 000 annually or 5% of annual pre-tax salary). These contributions may also be partially or wholly voluntary. Participants invest contributions in assets. *The final pension is uncertain (prior to retirement) because it depends entirely on asset performance of the accumulated contributions.* Accordingly, two individuals with identical contributions but different investment portfolio can receive widely divergent pensions. Further, two individuals with identical contributions histories can receive widely divergent pensions over different time periods (Modigliani and Muralidhar, 2004).

It is worth noting that, in defined-contribution plans, it is possible for contributions to change over time. This could happen because of changes in tax laws (either for mandated or voluntary schemes) or if existing contributions provide an insufficient or excessive replacement rate (Modigliani and Muralidhar, 2004).

2.3 Comparing Defined- Benefit and Define-Contribution Pension Plans

Defined-benefit plan spread investment risk across a large number of individuals of different ages and over different time horizons (i.e. within a cohort and across cohorts). The plan sponsor, who generally bears the investment risk of the plan, has a much longer time frame and a much higher risk-bearing capacity than individual, whereas in defined-benefit plan, the time horizon is much longer (if not infinite). For these reasons, defined-benefit plans on the average can make in more risk and generate higher returns, and their asset allocation policy tends to take longer to change than can individual plans (see Orszag and Stiglitz, 2001). However, by pooling assets, defined-benefit plans incur lower cost for managing assets but may be susceptible to government manipulation because government can control these assets. On the other hand, defined-contribution plans enable individuals to tailor their portfolio to the risk they wish to bear and allow for a better matching to their preferences. Defined-benefit plans provide stable retirement income based on salary; defined-contribution plans offer less predictable retirement incomes owing to their dependence on investment performance. By their very nature, defined-benefit plans are less flexible (individuals have less freedom over their contributions) and are unresponsive to meeting the cash flow needs of individuals before and after retirement (Modigliani and Muralidhar, 2004).

Defined-benefit plans provide insurance for longevity. The possibility that the money will run out before the individual dies are largely non-existence, unless the sponsor defaults and there is no insurance coverage. Country schemes do not require insurance because the state is the sponsor and has the ability to tax citizens. Insurance for corporate plans is usually provided by agencies such as the Pension Benefit Guarantee Corporation (PBGC) in the USA. However, individuals who contribute during their entire lifetime and die soon after retirement do not have the opportunity to bequeath a pool of funds to their heirs. Bequeathing monies to heirs in the event of premature death is possible only in defined-contribution plans though defined-benefit plans offer survivor benefit (Modigliani and Muralidhar, 2004). It is important to note that choosing between defined-benefit and defined-contribution plans also has non-investment implications. For example, defined-contribution plans require a well-educated, financially literate group to use the freedom of choice to ensure adequate replacement rates at retirement. Defined-benefit plans have to be supported by strong government structures to ensure that sufficient funds are soundly invested to meet future liabilities. The relative mix of defined-benefit and defined-contribution plans is likely to be country and individual specific (Modigliani and Muralidhar, 2004).

2.4 Alternative Pension Reforms: The Cases of Chile and Sweden

For the purpose of analysis, we present a three-dimensional classification of Pension Systems, viz: defined contribution versus defined benefit, funded versus un-funded and actuarial versus non-actuarial pension system (the term “actuarial” is used to describe the relationship (link) between contributions and benefits at the individual level). Our three-dimensional classification facilitates separating the consequences of pension system for work incentives (highlighted by the actuarial non actuarial dimension), capital formation (highlighted by the funded non-funded dimension) and risk sharing (highlighted by the defined benefit/define contribution dimension). Regardless of the immediate objective of a Pension Reform, it can often be described as a movement in these three dimensions (Lindbeck and Persson, 2003). To make the system more actuarial, some countries limit their ambitions to marginal (parametric) reforms by either reducing benefits or raising contribution rates, without changing the basic rules of the system. Other countries change the benefits rules in an actuarial direction, while maintaining a pay-as-you-go system. In the generic case, these accounts are credited with an annual return equal to G (G =growth rate in tax), and the pay-as-you-go system thus mimics a fully funded system of this type is to improve the economic efficiency and financial stability of a Pension System, it may also have important consequences for the distribution of income (Lindbeck and Persson, 2003). Three often mentioned arguments for shifting to a funded system are:

- i. the individual would receive a higher return on his mandatory savings;
- ii. Aggregate national saving would increase; and
- iii. Better risk diversification of pension claims could be achieved.

In a shift from a quasi-actuarial to an actuarially fair, fully funded system, an individual will experience two changes in his budget constraint; he will receive a market return on his mandatory savings (rather than a return equal to the growth rate in the tax base), and he may have to pay a new tax in order to honour the claims of the old pay-as-you-go pensioners. This new tax could, of course be imposed on any tax base, such as income or consumption (Lindbeck and Persson, 2003). There is a Defined-Benefit/Defined-Contribution Dimension-A Portfolio Approach. A non-constrained individual will then choose a combination of the risk-free asset, traditional risky asset, and the mandatory pay-go asset-a position located somewhere on the capital-market line BB in the figure. For a liquidity constrained individual, on the other hand, the introduction of a pay-as-you-go system means that he will be confined to point P. according to the government revealed preference, point P is superior to point O, which the liquidity constrained individual would choose in the absence of a mandatory system. Indeed, this is one reason why a pay-as-you-go system is introduced in the first place (Lindbeck and Persson, 2003). If there is a total shift to a fully funded system, the pay-go asset, i.e. pension's claims with an uncertainty yield to the growth rate of the tax base, disappears. A non-constrained individual can then choose a risk/return combination along the capital market line BB that is tangent to the original efficiency frontier AA – just as if there was no mandatory system whatsoever. Theoretically, this conclusion holds not only if the individual can choose among many competing pension funds, but also if there is a single government operated fund-provided that well functioning derivative market exist and that the individual is able and willing to transact in these markets. (Lindbeck and Persson, 2003).

2.4.1 Chilean Pension System/Reform

In May 1981, Chile replaced its government run pay-as-you-go retirement scheme with a private system where workers fund their own retirements through compulsory savings. This system is a fully funded defined-contribution scheme that is mandatory for all workers who entered the labour force after January 1983. Workers, who were in the labour force prior to January 1983, had the option of remaining in the old government run system (pay-as-you-go), or moving to the new system. Workers who remained in the old system received their pension rights guaranteed under the new law, while those who moved received from government “recognition bonds” that acknowledged their contribution under the old system. The bond matures when the workers reaches retirement age, dies, or becomes disabled (Asset and Resource Management Company Ltd. 2004). The new defined-contribution Pension Scheme is administered by specialised private companies called Administradoras de Fondos de Pensiones (AFPs) which are pension fund administrators. Each month workers deposit a minimum of 10% of their wages in their individual pension savings accounts, managed by AFPs of their choice (Asset and Resource Management Company Ltd., 2004). This percentage applies only to the first \$22,000 of annual income. Therefore, as wages go up with economic growth, the “mandatory savings” content of the pension system goes down (Lawong, 2005). A worker may contribute an additional 10% of his wages each month which is also tax deductible, as a form of voluntary savings (Lawong, 2005). The workers contribution are invested in various securities such as equities and fixed income instruments amongst others. The contributions and the returns are tax deductible (Asset and Resource Management Company Ltd., 2004)

The Chilean Pension System is regulated by an independent government agency, i.e., the Superintendencia de Administradoras de Fondos de Pensiones or Superintendence of Pension Fund Administrators. At the point of retirement, beneficiaries are provided with three retirement options, as follows:

- a. Lifetime annuity: beneficiaries may use the accumulated monies in their retirement accounts to purchase lifetime annuities from insurance companies. The purchase of lifetime annuities enables the beneficiary to have entitlements to a recurring income stream for as long as he/she is alive.
- b. Programmed withdrawals: Beneficiaries make programmed withdrawals from their accounts. This is based on their life expectancy and those of their dependants.
- c. Temporary Programmed Withdrawals with a Deferred Lifetime Annuity: This is a combination of the first two. With this option, the worker chooses to transfer only part of his fund to a Life Insurance Company, in order to finance a Life Annuity, which will start payment at an agreed date. The balance, which he decides to keep in his individual account, will serve as a source of temporary income until such time as the payment of a life annuity begins (Asset and Resource Management Company Ltd., 2004).

In the Chilean pension model, employers do not contribute directly to the employees' retirement savings account. However, at the onset of the reforms, employers had to increase employees' salaries to cover the pension

contribution (Asset and Resource Management Company Ltd., 2004). The Pension Reform in Chile have been reported to have contributed significantly to the economic growth of the country, although these were carried out at about the same time other economic reforms were being implemented. For example, the private pension system has been a major factor in increasing savings. Between 1984 and 1997, the country's economy grew at about 7% on average per year, investment and savings boomed and inflation was reduced from around 25% to 2-4% range. This was an outstanding achievement, which produced a massive change in the standard of living of the population (Asset and Resource Management Company Ltd., 2004). However, several drawbacks of the Chilean model of Pension Reform have been identified. First, according to Gillion and Binilla (1992), the risks involved for the individual pensioner includes the risk of personal misfortune (e.g. sickness, invalidity) that could make a worker's contribution inconsistent and the risk associated with volatility in the rates of return on investment funds. In the opinion of the two authors, the scheme falls short of the standards imposed by the ILO Convention on Social Security (Minimum Standards) and that on invalidity, Old Age and Survivor's Benefits. Second, it is shown that the Chilean Scheme has very high transitional cost in terms of the pension liabilities from the old system, particularly for the government. These have been estimated to amount to almost 5% of GDP in recent years which most poor countries can ill afford (Uthof, 1993). Third, although the scheme has 86% of the labour force affiliated to it, the compliance rate has been poor. Those actually contributing to the scheme have never been more than 55% of the labour force (Singh, 1996). Four, the Chilean scheme has adverse distributional effects. Not only is the compliance rate of the rich much higher than that of the low paid workers, the rich also earn higher rates of return on their investment funds (Singh, 1996). Five, the scheme is not only inequitable within social groups of the same generation, but unlike the pay-as-you-go system, it does not provide for any inter-generational solidarity (Singh, 1996). Six, the scheme has high administrative cost compared with publicly managed provident funds schemes. In 1990, administrative cost in the Chilean case amounted to 15% of the contributions and derives in large measure from the fund managers' on advertising and sales (Singh, 1996).

2.4.2 Swedish Pension System/Reform

Sweden's Public Pension System underwent sweeping reforms in 1999, intended to eliminate most of the subsidy in the system and tie benefit more closely to contributions. The new system applies to all employees born after 1954 and is being gradually applied to those born between 1938 and 1953; employees born before 1938 will not participate in the new system.

Lastly, the Pension Reform has not dealt with one of Sweden's major structural problems, in other words, absenteeism. Although it has increased for twenty years, mainly due to women changing from part-time work to full-time work, the annual number of per capita hours worked has fallen on the average by 0.4% per year since 1960 (Norman and Mitchell, 2000).

3 Pension Scheme In Nigeria: An Overview

Two main benefits are available under the public service pension scheme in Nigeria, namely, pension (life annuity) and gratuity (lump sum). A pension scheme is funded through two major sources via: contribution from the employer and contribution from the employees (contributory) or 100% contribution by the employer (non-contributory). A well – funded scheme helps to spread the cost of benefits evenly over time and so eliminate the vagaries in economic fortunes. Since the harmonization of pension payment in 1997 affected those who retired before 1st January, 1991 and subsequent increases in pension by 150% in 1999, 30% and 142% in year 2000, many government establishments have found it increasingly difficult to pay gratuities and monthly pensions as and when due. This has brought untold hardship to many pensioners and retirees. The funding of Private Pension Schemes appears more reliable than that of the government, though workers in the public sector enjoy more generous retirement benefits than their counterparts in the private sector. It is a fundamental flaw that Decree 102 of 1979 did not address the pension needs of the private sector. The first attempt at providing for private sector workers was through the setting up of the National Provident Fund (NPF) by the Federal Government in 1961 primarily as a compulsory saving scheme for private sector workers and those in non-pensionable employment. The fund only provided lumps sum benefits to members or their dependants on retirements or at death. The scheme was funded by N4.00 monthly contribution by both employers and employees. The upper limit of the total contribution to a provident fund scheme

was 25% of total emolument. The scheme has since been abrogated and converted into the National Social Insurance Trust Fund (NSITF) via Decree No. 73 of 1993 effective from 1st July, 1994. Pension scheme in the private sector remains a contributory one where an employee contributes, for example 5% of his salary to the pension fund while the employer contributes between 15% - 25% of the staff salary. The type of management style in an organisation influences the funding method.

In the last few years a number of pension reviews have been carried out by the federal government. A few of them are highlighted below.

- Review of the new pension scheme increase in retirement age for public officers (circular B.63207/VI/001 of 26th April 1978). The review affected only Judges. The compulsory ages of retirement for High Court Judges and Court of Appeal/Supreme Court of Justice to be 62 and 65 respectively and not 60 and 65 as earlier stipulated.
- Decree No.5 of 1985 awards a judge 100% of his total emolument after serving for fifteen continuous years as a judge of the High Court.
- Review of Pension Benefits – Circular No B.6321/XT/8 of 22nd July, 1992. The review addressed three main subjects.
 - a. The period of qualifying service for pension is reduced from 15 years to 10 years.
 - b. The period of qualifying for gratuity is reduced from 15 to 10 years; and
 - c. The maximum rate of pension for 35 years services is increased from 70% to 80%.
- Review of Pension Benefits – Circular No B.6321/S.I./X/701 of 20th January, 1993. The Federal Government approved that the pension of all retirees on the payroll as at 31st May, 1992 be increased by a flat rate of 45% across the board.
- Upward Review of Pension Benefits effective from 1st October, 1994 – Circular No B.6321/S.I./X/710 of 20th December, 1994.
- In the case of academic members in the universities, Decree 11 of 1993 stipulates that a person who retires as a professor of 15 years in the university or has been continuously in the service of a university in Nigeria up to retiring age shall be entitled to 100% of his terminal annual emolument as pension.
- Harmonisation of pensions Ref. No.6321/S.I./X13/105 of 30th January, 1997.
- Review of the Management of Pension Schemes of parastatals and other Organisations funded by the Federal Government Re. No. PEN. 92138/S.28/195 of 30th January, 1997.
- In the Armed Forces, Service Chiefs, including the Inspector General of Police, take 100% of their total emolument as pension.
- Review of Terminal Benefits for Heads of Service and Permanent Secretaries who have put in a minimum of twenty years of pensionable annual emolument as pension for life. (Circular Ref. No. B.63216/S.I./X/757 of 23rd June, 1998).
- Review of Pension Rates. The review approved 150% increase in pension rates. For example, a person on a pension of N100 per month to move to N250, effective 1st January, 1999. Ref. SWC/S/04/S.8/25.
- Further Review of Pension rates. Additional increase of 30% effective 1st January, 2000.

These reviews are welcome development especially those that brought relief to retirees and pensioners who have invested the most useful part of their lives into the government services. This will motivate serving officers to put in their best and give their loyalty to the service.

3.1 Elements of the New Contributory Pension Scheme

The key objectives of the new scheme 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 new pension scheme is contributory, fully funded, based on individual accounts that are privately managed by pension fund administrators with the pension funds assets held by pension fund custodians. There will be strict regulation of the process.

3.1.1 Contributory System

Under this system, the employees contribute a minimum of 7.5% of their Basic Salary, Housing and Transport Allowances and 2.5% for the Military. 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.

3.1.2 Safeguards for The Pension Scheme In Nigeria

The importance of safety of the pension fund assets cannot be overemphasized as the success of the pension reform is hinged on the availability of funds to contributors when they retire. Since the pensioner will utilize the fund at the end of his working life, it becomes imperative that adequate measures be taken for its protection. Consequently, there are a number of stringent provisions contained in the Act with the singular objective of protection of the pension fund assets. The Act embodies a number of checks in order to preserve the pension fund assets.

4. Conclusion

The main objective of this research work was an evaluation of pension fund administration in Nigeria, Primary and secondary data were collected and analyzed using chi square and t-test to arrive at dependable conclusion and policy recommendations. This research work revealed that pension scheme is something that cannot be treated with levity. It should go beyond casual approach by any serious government. Successful governments have tried to encourage pension scheme from colonial period to date but the immediate past and present civilian administrations led by President Olusegun Obasanjo and President Goodluck Ebele Jonathan respectively have carried several upward reviews to improve the lots of retirees and pensioners in the country. This is commendable, but the inability of government and private employers of labour to employ strategies for funding the new pension contributory scheme is worrisome as many public and private organizations find it extremely difficult to secure money to pay the entitlement of their retirees and pensioners. It is reiterated that government should address this problem as a matter of urgency. It is only then that the benefits of the reviews can be enjoyed by the beneficiaries and the loyalty of serving officers can be guaranteed. Undoubtedly, the pension industry under the new scheme is robust, safe and poised to help retirees live well after their active life in service. The numbers of enterprises that are not complying with the 2004 Pension Reform Act have really shown that the enforcement arm of the pension scheme is very weak. The major obstacles are the enterprises which are deducting but not remitting. It is reiterated that government should address this problem as a matter of urgency. It is only then that the benefits of the pension reviews can be enjoyed by the beneficiaries and the loyalty of serving employees can be guaranteed. The contributory pension scheme is a major way to take care of the future of the Nigerian workers.

5 Policy Recommendations

For effective and efficient pension fund administration in Nigeria, the following policy recommendations are necessary;

1. The Nigerian government should encourage the option of having the banks where the salary accounts of employees are domiciled to make the pension deductions on monthly basis and have it remitted to the concerned pension fund administrators (PFA) i.e. employers should stop deducting the pension contribution at source. The review of this role is necessary because, it seems the number of defaulting firms is on the increase.
2. There is need for public enlightenment campaigns on the merits of a contributory pension scheme with a view of introducing in the nearest future a way of mitigating some problems faced by retirees and pensioners in collecting their entitlements due to non remittances and improper documentations.

3. On the part of the regulator, there is need to address issues like non-remittance of pension contributions by corporations. The issues that cause non-payment of pension and gratuities to older citizens should also be addressed.
4. The 2004 Pension Reform Act should make provision for Nigerians living abroad who may want to contribute to the retirement scheme in Nigeria
5. The regulator (National Pension Commission) should enforce the relevant sanctions of the Pension Reform Acts on defaulting employers to improve on the existing compliance.
6. The government of Nigeria should punish those who steal pensioner's funds to serve as deterrent to others.

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