The Role of Pension Scheme in Capital Formation and Economic Development in Nigeria

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ABSTRACT

Pension scheme offers workers opportunity to defer their wages for future gratification. Although there are so many challenges confronting the pension governance, the most notable ones are delay in payment of retirees' allowance and the allegations of corruptions against pension officials. The pension scheme in Nigeria have witnessed notable reforms in 2014 till date, however this reform led to a shift from Defined Benefit pension scheme (DBS) to Contributory Pension Scheme (CPS). This study examines Pension Governance in Nigeria from 2014 to 2024, other objective assesses the impacts of pension scheme on the Nigeria economy, investigate the challenges of pension administration and suggest possible measure that will improve the pension administration in Nigeria. The mix research design which includes the descriptive, exploratory and ex-post facto research design was adopted in this study. The convenient and quota sampling techniques were utilized for the selection of the sample size, 375 questionnaires were administered to respondents, Data was analyzed using descriptive statistics coded into SPSS, the hypotheses were tested at Alpha level of 0.05 using the (X^2) chi-square-based measure. The deferred wage theory was adopted as the theoretical framework of the study; this theory views the pension plan as a means of deferring some compensation until an employee retires. Findings from the study established that 68.3% of the sampled population acclaimed that the contributory pension scheme increases the gross domestic product of the country and also boost the capital and financial market. The study again, revealed that 80.3% of the sampled population believe that the contributory pension system has impacted the lives of retirees positively. The study concludes that the Contributory Pension Scheme increase the country's (GDP) Gross Domestic Product of the country and accrued pension savings boost the economy of the country by creating employment for those employed in the sector, while, the pension allowance provides the retirees income to continue to invest in the development of the country's economy. The need for pension administration to place the welfare of retirees above their personal needs in order to build a formidable pension system which will pave way for transparency was recommended amongst orders as panacea for the challenges confronting pension governance in Nigeria.

Keywords: Pension Scheme, Capital Formation and Economic Development

INTRODUCTION

The Nigeria's first pension laws were passed by the colonial administration in 1951, though its retroactive effect started in 1st January, 1946. The pension ordinance, as it was known, was mainly intended for colonial officers who were stationed throughout the British Empire. The main goal was to enable service continuity no matter where they were sent to provide assistance. However, there was minimum coverage under the plan. In other words, the initiatives only benefited a small number of "Nigerians" who had the opportunity to serve the colonial administration (Bassey, Etim, and Asinya, 2008).

Thus, pension is the sum of money put aside by an employer, employee, or both to make sure that workers have some income to fall back on when they retire. It is known as an amount put away for retirement. This type of plan aims to prevent pensioners from being financially stuck after retirement. Moreover, pension reform is hardly a novel topic anywhere in the world. Typically, it is an ongoing process, particularly in light of the constantly shifting political and economic landscape that is evident globally (Blake, 2003) as cited in (Ndukwe, 2023). Pension is defined as an amount of money that is paid on a regular basis to an individual who is unable to work due to old age, disability, or retirement, as well as to their dependents who are widowed or reliant on them (Uzoh and Anekwe, 2018).

On the other hand, the Pension Decree 102 of 1979 Act was passed in 1979 and went into force retroactively on April 1st, 1974. This decree abolished all pension laws enacted between January 1, 1946, and March 31, 1974. The Pension Act of 1946, the Pension Act of 1958 and police pension decree of 1966 are a few examples of such repealed statutes. This Decree combined all pension-related laws and included the gratuity scales and pensions for all public servants as recommended by the 1974 Udoji Public Services Review Commission Report. It established the fundamental pension legislation upon which all more recent pension laws are based. For example, the pension rules at the level of government-owned parastatal and firms are exact copies of the pension Act 102 of 1979. The plan specified requirements for receiving benefits, leaving the plan, and losing pension rights, among other things. Even with the aforementioned clause, there was a lot of corruption in the plan. Pension officials frequently complained that their funds were being diverted to other purposes (Femi, 2001) as cited in (Dawodu, 2018).

Prior to this, money was sent by the Office of the Head of Service to the states, who then paid the federal government staff on their behalf (PENCOM, 2009). This made the situation conceivable. The emergence of more "ghost pensioners" as a result of improper oversight of state-adopted payment systems and procedures also contributed to the accumulation of pension arrears that continue to plague the pension industry today (Stella and Beauty, 2023). Furthermore, the Pension Reform Act (PRA) of 2004 changed the standard pension model in Nigeria from defined benefit schemes to defined contribution schemes. Among the main goals of the changes were the requirement that workers have long-term savings for retirement and the creation of a distinct set of rules for both private and public sector workers. Remarkably, the pension sector has amassed $25 billion in assets since its founding (Leriba, 2014), which is referenced in (Ekpulu and Bingilar, 2016). The National Pension Commission (PenCom) reports that as of October 2014, the total value of the nation's pension assets was N4.6 trillion (News Agency of Nigeria [NAN], 2014). According to a report published in October 2015, which quoted Mrs. Chinelo Anohu-Amazu, the Director-General (DG) of PenCom, the Contributory Pension Scheme (CPS) was launched in 2004 and has since grown to the tune of over N5 trillion [$27 billion] (Iloani, 2015). Employees are required by law to keep up a Retirement Savings Account (RSA) with their preferred Pension Fund Administrator (PFA), into which contributions are made by both the company and the employee.

According to section (4) (1) of the recently passed 2014 Pension Act, the employee's monthly emolument rate must be at least 8% and the employer's rate must be at least 10%. According to subsection (2), the rate may occasionally be changed upwards with consent from the two parties; the Commission will be informed of any such revisions. It's interesting to note that donations to and participation in pension plans have increased significantly placed in. The total scheme membership has increased by 17% between September 2011 and September 2013 (Barungi, 2014).

Additionally, there has been an upturn in the private and public sector contributions by 7.15% over the same period (Leriba, 2014). “With a growth rate of 30% o2012-2016, total pension contributions were estimated to hit $100bn by 2020 according to the African Development Bank [AfDB]” (Barungi, 2014) as cited in Ekpulu and Bingilar, (2016). Ekpulu and Bingilar observed that such projection has a healthy implication, however, the foremost issue is that in the light of the huge funds invested in retirement savings, there are growing concerns that there are few channels to deploy this money to the benefit of the real economy of Nigeria. Regulatory restrictions and investing limits are inhibiting further growth potential and competitiveness in the pensions’ industry. However, there may be attractive opportunities emanating from the regulations and also from the limited channels to deploy the pension funds. These have compelled the need to examine the regulatory opportunities for investors on the investment of pension funds in Nigeria (Eme, Uche and Uche, 2014).

Statement of the problem

Despite an increase in the number of public sector employees who are eligible for pensions, Nigeria's pension programme has been quite inadequate. Nigeria has implemented public service reforms as a result of the desire for effective and efficient public service delivery. Nigeria Pension programme has undergone several revisions over time as a result of the country's expanding financial needs to handle its growing pension debt structures (retirement benefits). Retirement benefit planning is complicated for Nigerian workers because they face unique challenges related to low income and savings levels, as well as significant family and social commitments. Most Nigerians have an average life expectancy of about 54 years, while very few individuals in the country live up to 80 or even 90 years (Uzoh and Anekwe, 2018).

The Nigerian pension system was incredibly inefficient, making it impossible for employees to pay to their pension under the Pension Reform Act of 2004. Instead, most workers take care of their elderly relatives, who also serve as unpaid pensioners. The administration and management of pension funds have been a significant concern for Nigeria's government. However, pensions that provide a worker with a certain level of comfort during their year of inactivity are essential to both the individual's and society's survival. Nowadays, the majority of workers in our society are not protected by some kind of sensible retirement benefit plan, and those that suffer from lack of welfare packages can also be taken care of (Ndukwe, 2023).

The newly introduced contributory pension scheme is seen as an important social security system that could address both structural and institutional dysfunctions in the country's social security obligations. Nigerian Pensioners have high expectations on the new Government to ensure an effective implementation of pension regulations existing in the country. These expectations arise from the need to have sustainable standard of living in retirement and their benefits paid as and when due. The different pension regimes operating in Nigeria, Defined Benefit (DB) and Contributory Pension (CPS) Schemes, give rise to varying set of problems that limit the capacity of key stakeholders within the Nigerian pension industry to meet pensioners' expectations.

Objectives of the study

the broad objective of this study is to assess role of pension scheme in capital formation and economic development in Nigeria. The specific objectives are to:

1. examine the impacts of pension scheme on the Nigeria economy
2. investigate the challenges of pension administration in Nigeria
3. suggest measures that could be put in place to improve the pension administration in Nigeria

Hypotheses

H01 Pension scheme has no positive impacts on Nigeria economy

H02 Challenges facing the administration of pension has a negative effect on economy of Nigeria

Significance of the Study

This study will also be significant, because it will offer deeper understanding into the concept of pension and pension governance. As such, it will serve as a reference material to any one that will lay his hand on the thesis. Findings from this study will provide academicians, researchers and policy makers, information about the operation of the pension governance in Nigeria. For this reason, it will serve as guide to employees and employers who wish to have an understanding of pension governance in Nigeria.

The study will be of immense importance for researcher that intend to build on this study and expand the scope to cover pension governance in other African countries. This study will fill the gaps that exist in empirical works conducted by other scholars. This analysis will go a long way to influence policy makers to enable them document effective strategies that will help the pension governance in meeting the challenges faced by retirees in the accessing their pension gratuity and other retirement benefits. The stakeholder will also benefit from this research.

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Scope of the Study

The study will be carried out in Nigeria; hence it is designed to assess role of pension scheme in capital formation and economic development in Nigeria. Contextually, will assess the impact on Scheme to Nigeria economy. The Pension Fund Administration in Nigeria operates under the framework established by the Pension Reform Act of 2004. This act provides the legal and regulatory foundation for the effective management of pension funds, overseen by the National Pension Commission (PenCom). This study is limited to role of pension scheme in capital formation and economic development in Nigeria, which plays a pivotal role in safeguarding the financial future of millions of workers across the nation. It encompasses the management and oversight of pension funds contributed by both employees and employers, ensuring that these funds are prudently invested and well-maintained.

CONCEPTUAL REVIEW

Pension scheme

A pension plan is a transfer programme that, following a predetermined number of service years, acts as a conduit for the distribution of income to retirees or the aged.

Private and public pension plans are the two varieties available. Social welfare security payments to the aged, retired, and those who have changed employment within the public sector of the economy are collectively referred to as public pension schemes. Heller () contends that the goal of a public pension system should be to guarantee financial security for the elderly, or at the very least, a minimum income, rather than to increase the savings rate. A privately managed pension plan is a social security programme by the private sector to support and ease the burden of retired and aged workers during a period when they are not working

Employees save a portion of their income under this defined benefit plan, which allows them to receive the investment returns when they retire or move employment. The majority of workers in the private sector engage in retirement plans, and the costs of these plans account for around 55% of the payroll of the companies that sponsor them.

Ensuring that someone who has worked in the public or private sector receives their retirement benefits on time is the goal of the Pension Reform Scheme of 2004. Through ensuring that they save money for their old age, this scheme seeks to help the impoverished. It also aims to create a standard set of guidelines for the management and payment of retirement benefits in the public and private sectors, as well as to slow the rise in outstanding pension liabilities. Pensions are essentially old age social security. And achieving this development advancement is the goal of the modifications made to the pension systems in many different nations. Social pensions, according to DFID, help older, less fortunate people and their families make a living above the poverty line in developing nations (Ebbinghaus, 2011).

The old and new order Pension plan

The old scheme was characteristically defined benefits, unfunded mostly pay as you go, discriminatory and not portable. In this instances employee was not entitled to pension benefits if he is dismissed from service. Also there was no adequate provision to secure the pension fund. Following the unsatisfying nature of the old scheme, the unpleasant experiences faced by retirees and pensioners and the huge pension liabilities, the need for reform and change became apparent. Therefore, the need for the Federal Government to guarantee workers' contributions and accruing interest in the event of failure of the PFA was advocated. Besides, it was estimated that over N600 billion ($4.5 billion) investible assets could be amassed annually through the pension scheme in Nigeria. Hence, the government could not only pay the retirement benefits as they become due but also utilize the saved pension fund for long-term development purposes (Odia and Okoye, 2012).

The Pensions Reform Act (PRA) of 2004 is the most recent legislation of the Federal Government of Nigeria which is aimed at reforming the pensions system in the country. It encompasses employees in both the public and private sectors. The PRA of 2004 came into being with a view to reducing the difficulties encountered by retirees in Nigeria under the old pension scheme. It is believed that the new scheme will: guarantee the prompt payment of pensions to retirees, eliminate queues of aged pensioners standing hours and days in the sun to collect their pensions and also increase their standard of living. But the fear is whether the programme will actualize the set objectives by the "power and people that be" when we call to remembrance the abysmal failure of the National Housing Fund which was set up by Decree No 3 of 1993. Nevertheless, before the enactment of the PRA of 2004, the three regulations in Nigerian pension industry were: Securities and Exchange Commission (SEC), National Insurance Commission (NAICOM) and the Joint Tax Broad (JTB).The new scheme is regulated and supervised by the National Pension Commission. The Commission has the power to formulate, direct and oversee the overall policy on pension matters in Nigeria. It also establishes standards, rules and regulations for the management of the pension funds .It approves, licenses, sanctions and promotes capacity building and institutional strengthening of the PFA and PFCS.

Objectives of the New Pension Scheme in Nigeria

The main concern of the new pension scheme is safety of the fund and the maintenance of fair returns on the amount invested. The need for safety is emphasized in determining the quality of the instrument to invest in and a PFA is expected to adopt a risk management profile in making investment decisions with due regard to the credit rating of companies registered under the investment and Securities Acts of 1999. PFA was expected to appoint risk management and investment strategy committees. The risk management committee determines the risk profile of investment portfolio and ensures adequate internal control measures and procedures. The investment strategy committee determines the portfolio mix consistent with the risk profile, evaluate and review the performance of investment on periodic basis.

Prior to the new pension scheme, Nigeria operated a Pay As You Go defined Benefit Scheme burdened with a lot of problem. Ahmad (2008) attributed the non-performance of the define benefit system of pension to under fund; unsustainable outstanding pension liabilities; weak and inefficient pension administration; demographic shifts and aging of the scheme; non-courage of workers in the private sector by any form of compulsory retirement benefit arrangement; and poor regulation of the hitherto scheme. Due to the above deficiencies, there was necessity for proper and adequate reformation in order to properly cater and provide for retiree benefit. These identified loopholes necessitated the ushering in of the modern Contributory Pension Scheme (CPS). The CPS in the words of Ahmed (2006) is premised on the following:

i. To ensure that every workers receives his retirement benefits as and when due.
ii. To empower the worker and assist workers to save in order to cater for their livelihood during old age.
iii. Stem the growth of pension liabilities.
iv. Establish uniform rules, regulation and standards for the administration of pension matters. Secure compliance and promote wider coverage

Regulatory body and the operators under the new system

National Pension Commission

One of the reasons for the failure of DBS was lack of strict and effective regulations. Having identified this, the modern scheme established this body: PenCom to serve as the major regulatory organ to regulate all the pension system in the country. The scheme provides that National Pension Commission (PenCom) shall regulate, supervise and ensure the effective administration of pension matters in Nigeria. The PRA 2004 also ushered in the operators who are the Pension Fund Administrators (PFAs), Pension Fund Custodians (PFCs) and the Closed Pension Fund Administrators (CPFAs). Section 21 of PRA 2004 states that the powers of the Commission shall be to formulate, direct and oversee the overall policy on pension matters in Nigeria;

a) fix the terms and conditions of service including remuneration of the employees of the Commission;
b) request or call for information from any employer or pension administrator or custodian or any person or institution on matters relating to retirement benefit;
c) charge and collect such fees, levies or penalties, as may be specified by the Commission;

d) establish and acquire offices and other premises for the use of the Commission in such locations as it may deem necessary for the proper performance of its functions under this Act
e) establish standards, rules and regulations for the management of pension funds under this Act;
f) investigate any pension fund administrator, custodian or other party involved in the management of pension funds;
g) Impose administrative sanctions or fines on erring employers or pension fund administrators or custodians;
h) Order the transfer of management or custody of all pension funds or assets being managed by a pension fund administrator or held by a custodian whose license has been revoked under this Act or subject to insolvency proceedings to another pension fund administration or custodian, as the case may be;
i) And do such other things in its opinion are necessary to ensure the efficient performance of the functions of the Commission under this Act.

Pension Fund Administrators

The new pension scheme requires pension funds to be privately managed by licensed Pension Fund Administrators. Pension Fund Administrators (PFAs) have been duly licensed to open Retirement Savings Accounts for employees, invest and manage the pension funds in a manner as the Commission may from time to time prescribe, maintain books of accounts on all transactions relating to the pension funds managed by it, provide regular information to the employees or beneficiaries and pay retirement benefits to employees in accordance with the provisions of the Pension Reform Act 2004. Adegbayi (2005) has identified that the roles of PFAs are to open RSA for all employees registered by it with a Personal Identification Number (PIN); invest and manage the Fund and assets; Calculate annuities; and pay Retirement Benefits. It is glaring that the PFAs are the veritable operators that add value to the contributors' fund.

Pension Fund Custodians

Pension Fund Custodians (PFCs) are responsible for the warehousing of the pension fund assets. The PFAs shall not be allowed to hold the pension fund assets. The employer sends the contributions directly to the Custodian, who notifies the PFA of the receipt of the contribution and the PFA subsequently credits the retirement savings account of the employee. Specifically, the primary functions of PFCs are: Receive and Hold the Fund upon trust for Contributors and Beneficiaries; Settle investment transactions on behalf of the PFA; provide independent reports to the Pension Commission on Fund assets and Undertake statistical analysis on the investment and returns on behalf of the Pension Commission and the PFA. As a matter of fact, the functions of the PFAs and the PFCs interlock and act as a guard against financial impropriety. Thus, even though the PFA opens the account, it does not have access to the money except for purposes of investment, which asset representation must still be kept with the custodian, who settles payment and other transactions made on particular investment undertaking. The money is also not controlled by the PFC, who must act upon the instructions of the PFA and cannot treat funds with it as mere cash savings. Since both parties assume joint trust positions, an incidence of financial imprudence is reduced but cannot be totally ruled out.

The Closed Pension Fund Administrators

The closed pension Fund Administrators (CPFAs) are specifically established by companies with strong financial standing to manage their pension funds. There are about seven CPFAs owned mostly by multinational companies to enable them administer their pension funds under the guide and direction of PenCom.

Opportunities created by the contributory pension scheme

A lot of opportunities are created in the modern CPS. The scheme has boosted the capital and money markets and this has brought a tremendous growth to the economy. Assistants, all PFAs have their funds invested in the capital market through equities and bonds. Also the banks and other money market operators have had their own share through fixed deposits. The PFAs and PFCs that were the offshoot of the new scheme have created employment opportunities and savings for employees among others. Oshiomole (2007) caped up the available and inherent potentials that Nigeria and Nigerians stand to gain with advent of the CPS. In his opinion, CPS has created opportunities ranging from individual retirement savings account which enhances fund accumulation, mobility of labour without any effect on the RSA fund, contributors' rights to change PFA as the occasion demands, access to retirement benefits as at when due, minimum pension guarantee to accumulation of long-term funds which has contributed to the growth in the capital market. The new pension scheme has laid to rest Ghost Pension Syndrome (Amujiri, 2009:148). Also, Agbese (2008) in Amujiri (2009) opined that the introduction of the new pension scheme in Nigeria marked a turning point in Nigeria economy because it made the incidence of Ghost Pensioner to disappear completely from payroll of pensioners nationwide. Since individuals own the contributions, the pensioner is no longer at the mercy of government or employer and is assured of regular payment of retirement benefits. The employee has up to date information on his retirement savings account. The scheme imposes fiscal discipline on the nation and a solid foundation for economic development. There is an expansion of convertible funds, creation of a huge pools of long term funds and enhances accountability. The scheme introduces clear legal and administrative sanctions and there is a separation of investment, administration and custody of assets. Transparency is also assured by the requirement for published rate of returns, regular statement of contributions and earnings and audited account.

The concept of Pension Governance/Administration

Pension fund governance deals with issues of pension fund control and seeks to answer two basic questions: 1) in whose interests should checks on pension funds be carried out, and 2) who should monitor and control the pension funds on behalf of their members? The basic principles of corporate governance are applicable here: transparency, accountability, fairness, and responsibility (World Bank 2007). Nonetheless, pension fund governance is much more complex than corporate governance because of the larger number of parties directly involved in pension fund operations. Therefore, all the rules of corporate governance do not apply here. Pension fund members do not generally exercise control through voting on fund administration, asset management companies, and their employees. It is difficult for fund members to dismiss a body managing the fund if it fulfills its duties improperly. In such cases the only solution for fund members is to change the fund or make claims for damages (World Bank 2007).

Governance in private pension plans and funds includes managerial control of the organization and means of regulation, including liability of management, and how it is monitored. The primary objective of regulation in pension funds governance is to reduce the potential agency problems or conflicts of interest that may arise between fund members and those responsible for managing the fund, which could negatively affect the security of retirement savings (Stewart and Yermo 2008). From this perspective, pension fund governance comes down to two issues: to protect the rights and interests of pension funds members, and to ensure the safety of sources of funding for future retirement benefits (World Bank 2007). It is worth considering, however, whether pension fund governance should be limited to minimizing the agency problems occurring between pension fund members and the entity responsible for managing the fund.

The pension fund can be considered as a nexus or network of explicit and implicit contracts between all entities in the relationship with it. Hence, pension fund governance cannot be confined only to deal with agency problems; its aim should be understood broadly to ensure good performance of the pension fund while maintaining low costs for all stakeholders (Stewart and Yermo 2008). Good pension governance, therefore, should be correlated with high rates of return on investment and low cost of capital (World Bank 2007). Good governance of pension funds has a lot of benefits, which include building trust between all stakeholders, and reducing the need for specific regulations or facilitating supervision. It is also conducive to improving the efficiency of corporate governance in portfolio companies.

REVIEW OF EMPIRICAL LITERATURE

History of pension governance in Nigeria

Odia and Okoye (2012) stated that the history of the Nigerian pension administration could be traced back to the early 1950s. They further opine that the PRA of 2004 brought into limelight the new pension scheme in Nigeria, which is a defined contributory scheme, unlike the old scheme which was largely defined benefits. However, in the old Nigerian Pension System, only public sector employees were captured through statutory compulsion. In the private sector, not all employers had the pension schemes in place. This was because there was no statutory demand on them to do so. Those who had the schemes in place related to lump sum payments at the verge of retirement known as pay-off were also not statutorily obligated (Nnanta, Okoh and Ugwu, 2011).

Further, the first legislation to address pension matters of private organizations in Nigeria is the National Provident Fund (NPF) scheme which was established in 1961 (Sule, Umogbai and Emerole, 2011). Eighteen (18) years later the Pension Act No. 102 of 1979 (Udoji Commission) was established as well as the Armed Forces Pension Act No. 103 of the same year (Barrow, 2008). Similarly, the pension plan for the police and other Government Agencies' were enacted under Pension Act No. 75 of 1987, accompanied by the Local Government Pension Edict which crowned into the establishment of the Local Government Staff Pension Board of 1987. The defunct NPF scheme was replaced in 1993, by the establishment of the National Social Insurance Trust Fund (NSITF) scheme effective from 1 st July 1994. The essence is to cater for employees in the private sector of the economy against loss of employment income in old age invalidity or death (Sule et al., 2011). These Decrees remained the operative laws on public service and military pension in Nigeria until July 2004. However, several government circulars and regulations were issued to alter their provisions and implementations. For instance, compulsory retirement at the age of 60 years or 35 years of service, whichever comes earlier in 1988, and in 1992, the period to qualify for gratuity and pensions were reduced from 10 years to 5 years and from 15 years to 10 years respectively (Barrow, 2008).

According to Barrow (2008), in 1997 parastatals were given the opportunity have individual pension arrangements for their staff. They were also allowed to appoint Boards of Trustees (BOT) to oversee their pension plans as stated in a Standard Trust Deed and Rules prepared by the Office of the Head of Service of the Federation. Each BOT has the freedom to make a decision on whether to maintain an insured scheme or self-administered arrangement. Interestingly, prior to the enactment of the PRA 2004 there were three regulators in the pension industry. They include; the Securities and Exchange Commission (SEC), the National Insurance Commission (NAICOM) and the Joint Tax Board (JTB). The SEC remains the commission that licenses pension fund managers while the NAICOM is still the agency responsible for licensing and regulating insurance companies in the country. The JTB is saddled with the responsibilities of approving and monitoring all private pension schemes with enabling powers from Schedule 3 of the Personal Income Tax Decree 104 of 1993 (Bassey, Etim and Asinya, 2010).

Notably, the PRA of 2004 is a legislation of the Federal Government aimed at providing the solution to the associated problems of the old Pension System. The PRA 2004 redefined the mandate of the Fund to accommodate not only pension but also the provision of Social Security Insurances services. It established a Pension System that is uniform for both the public and private sectors respectively. The Social Security Insurances services received statutory backing from the mandate given by section 71(2) of the PRA to NSITF when the Employee Compensation Act of 2010 was signed into law in December 2010 by the assent of the then President Goodluck E. Jonathan, GCFR (http://www.nsitf.gov.ng). Essentially, the most recent legislation – Pension Reform Act 2014, has been established by PenCom, who administer, supervise and regulate all pension matters in Nigeria. The Act repealed the PRA No.2, 2004. The PenCom would continue to govern and regulate the administration of the uniform Contributory Pension Scheme for both the Public and Private Sectors in Nigeria (http://www.pencom.gov.ng/).

The impacts of pension scheme on the Nigerian economy

The Pension Reform Act 2014 was also established to address the manifested loopholes in the old defined benefit pension scheme and provide adequate resources to retirees after retirement from the service. The large capital pool demands that there should be sound and uniform investment decision making to ensure that value is added to Retirement Saving Account (RSA) contribution. Investment is normally done in the presence of numerous risk mostly political, markets and economic in nature. Investment and market analysis of these Pension Fund Administrators (PFAs) are always propelled to ensure that there is safeguard and safety of these pension assets. The fund accounting organ of PFAs record every bit of inflow and outflow of pension assets in and out of the entity fund.

"In the history of economic reforms in Nigeria, pension easily ranks among the most definitive and successful. It has opened up a new economy, creating a cluster value chain, expanding the financial markets and providing funding for infrastructural development. Only the telecoms reform can lay claim to producing more results during the same period." (Dahir- Umar, 2023 p123) .

Dahir- Umar (2023) observed that the clear demonstration of impact of pension reform on the Nigerian economy is the phenomenal growth in pension assets. The assets have been blossoming every year. In 2006, the value was N265 billion. It more than tripled the following year, hitting N815 billion. It crossed the N1 trillion mark in 2008, growing to N1.072 trillion. While this was considered massive back then, it paled into insignificance within 10 years. In 2017, pension assets were already over N7 trillion. Precisely, the accumulated assets were N7.51 trillion as at 31 December 2017. As at 28 February 2023, the assets were N15.45 trillion, this remarkable increase in the pension assets hold a great fortune for Nigeria economy.

The contributions of pension funds from Nigeria's private and public sectors have increased greatly and constituted a large investment fund in the capital and money markets. This phenomenon increases liquidity in the economy, creates employment opportunities, and improves the business climate. With good portfolio risk management by financial managers of pension funds, pension contributions can positively impact gross domestic product (Farayibi, 2016). According to Arestis et al. (2015), financial development and economic growth have a high positive correlation. Such a correlation between financial development and economic growth exists in economies with high initial incomes per capita, while in countries with low initial incomes per capita, such a correlation has no statistical significance.

Beredugo (2015) carried out a study on pension fund accounting and pensioners' well-being 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; while a judgmental sampling technique was used. The Ordinary Least Square (OLS) was however adopted for the hypotheses tests and it was discovered that pension fund accounting significantly affected pensioners' well-being and that pensioners' sustainability is dependent on collective bargaining between the pensioners and their administrators. It was recommended that organizations should always recognize pension costs along with the plan's assets and obligations in their financial statements, and organizations and/or governments should bear the contribution of low-income earners.

Nwanne (2015) as cited in Raphael Adebimpe & Adebimpe, (2023) investigated the impact of contributory pensions on economic growth using simple percentages and chi-square. Most of the studies reviewed employed descriptive statistics which may not give clear and robust results of positive impact of contributory pension funds on the Gross Domestic Product, hence this study sought to re-examine the concept through the use of a more robust econometric tool of SPSS and Granger Causality testing. It was recommended that investment outlets of pension funds should be increased and efforts should be intensified to ensure greater compliance and mobilization of savings from contributors.

Christian & Wobiaraeri (2016) investigated the relationship between pension fund administration and infrastructure financing in Nigeria. The study answered four research questions and also tested four hypotheses. Acorrelation research design was used for the study. The population of the study consisted of all the licensed pension fund administrators in Nigeria. Simple random sampling was used to select 108 respondents for the study. Primary data and a questionnaire were used to elicit information from the respondents after the reliability and validity test. The data collected were analysed using descriptive statistics, while the hypotheses were tested using Pearson Products moment correlation at 95% level of confidence. Findings from the study showed that there is a significant relationship between Retirement Pension Accounts and return on economic and social infrastructural financing.

Ameh, Isiwu & Duhu (2017) investigated the impact of contributory pension scheme on economic growth in Nigeria. Data for the study were sourced from various issues of PenCom Annual Reports and World Bank Development Indicators (database). The data were computed with the use of Statistical Package for Social Sciences (SPSS). It was found that pension fund assets and pension contribution/savings mobilized over the years have a positive but insignificant impact on economic growth. The study recommended that there should

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be more emphasis on the management of pension assets in the capital market as well as government bonds, real estate and investment trusts to boost the Gross Domestic Product (GDP) of the country (Nigeria).

Ahmed (2016) examined some of the justifications for the contributory pension scheme as part of its values and determined their implications for public servants' productivity and pensioners' welfare in Lagos State. The methodology employed in the study was carried out through primary sources of information and personal interview. The primary source involved a field survey that consisted of administering a questionnaire. The sample size is one hundred and twenty respondents (120). A simple random sampling method was used in administering the questionnaire. The result of the analyses revealed that there is a significant relationship between adequate retirement packages and employees' productivity and that it has a positive impact on the organization's efficiency. Both the empirical study and oral interview conducted, however, found that the contributory pension scheme (CPS) has a positive potential over the defined benefits pension scheme (DBPS).

Growth of Pension Fund Assets 2014-2024

SUMMARY OF PENSION FUND ASSETS 2014 -2024

	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY
YEAR	₦ 'Million	₦ 'Million	₦ 'Million	₦ 'Million	₦ 'Million	₦ 'Million	₦ 'Million
2014			4,207,630.00			4,489,170.00	
2015			4,802,910.00	4,863,185.02		4,960,090.00	
2016	5,254,402.82	5,291,284.95	5,387,941.07	5,359,059.87	5,581,809.85	5,729,316.10	5,820,648.48
2017	6,255,893.34	6,298,934.95	6,415,506.85	6,493,464.36	6,729,670.32	6,832,877.77	6,948,609.52
2018	7,736,038.91	7,794,396.74	7,943,490.74	8,096,644.06	8,143,069.13	8,232,287.92	8,322,766.46
2019	8,744,112.74	8,906,256.96	9,030,803.46	9,121,235.77	9,223,808.19	9,325,711.20	9,367,246.58
2020	10,430,468.36	10,507,632.93	10,326,016.29	10,577,141.53	10,795,823.86	11,085,793.80	11,307,821.73
2021	12,299,243.41	12,247,947.27	12,339,960.13	12,397,725.99	12,492,098.51	12,657,174.24	12,780,646.66
2022	13,608,619.98	13,764,820.76	13,878,571.20	14,059,910.72	14,193,673.38	14,267,548.79	14,359,883.86
2023	15,265,797.69	15,449,896.60	15,582,469.13	15,771,649.13	16,107,221.02	16,761,553.77	17,068,669.98
2024	19,530,664.45	19,759,600.60	19,669,314.29	19,787,068.64	20,227,472.20	20,484,231.81	20,789,098.95

Source: Internal Memo Investment Supervision Department Pencom (2014)

It also worthy to note that some data in 2014 and 2015 are incomplete and we are working with the available data

Summary of pension fund assets form 2014-2024

The impacts of pension scheme on other countries economy

Bertranou et al. (2018) analyzed the privatization of pension funds and the reversal of pension reforms in Argentina. According to this study, the privatization of pensions had created an overall positive effect, with increased coverage, improved sufficiency and financial sustainability. The favourable performance of the Argentine economy since the 2001–2002 crisis and the additional revenues from general taxes allocated specifically to the pension system have provided the necessary fiscal space for the government to improve the social protection of its citizens. Stewart et al. (2017) argued that in some pension systems, a significant increase in long-term asset allocation is hindered by pension fund managers managing settlement risk. Greater diversification of pension funds can be observed to a large extent in domestic assets but also in foreign investment. Therefore, according to the findings of this study, the frequent change of fund providers and portfolios may limit the ability of the pension fund to invest in the long run.

Park and Stańko (2017) analyzed the macro and micro dimensions of oversight of large pension funds and the effects on the economies of different countries. The macro dimension focuses on the potential adverse impact of such funds on financial markets. In contrast, the micro dimension refers to the possibility that the mismanagement and improper functioning of pension funds could negatively affect the economic well-being of many pension beneficiaries. According to Altiparmakov and Nedelkjovic (2016), no significant empirical evidence has been found that the privatization of pension funds in Latin America and Eastern Europe has been accompanied by higher economic growth. The positive effects of economic growth are not particularly likely in countries applying financial debt-free privatization

For Casey (2014) analyzes the reforms European Union governments undertook in their pension systems. These pursued reforms and policies succeeded in meeting their objectives only because the national accounts system does not recognize how most fiscal gains match future fiscal obligations.

According to Acuña et al. (2014), the creation of a private pension system in Peru has contributed positively to the economic recovery in 1993. This study identified that the accumulation of pension contributions positively impacted the country's economic development; on the other hand, it has positively affected productivity and economic growth. Based on the study by Thomas et al. (2014), a negative correlation was found between the share of pension fund assets invested in shares and the stock market volatility in OECD countries. This study's probit and log binary models further substantiate the argument that pension funds can alleviate stock market volatility as institutional investors. In their study, Croce et al. (2011) have analyzed the role of pension funds in financing various green economy projects. With assets of $28 trillion, pension funds play an important role in financing such projects, contributing positively to economic growth. Despite the interest of pension funds to invest in such projects, the allocation remains very low. This is due to the lack of support for environmental policies, market liquidation, and lack of knowledge and expertise in green economy projects.

Disney (2004)'s study analyzed how governments of OECD countries have coped with public pension fund programs and their adverse impact on the level of pension contributions and employment levels by economic activity. The results of this study also consist of various economic theories that high taxes applied to wages can greatly damage the employment prospects in OECD countries.

Future of the Pension System

It is essential to note that there were no statutory pension plans for individuals working in Nigeria's informal sector before to the PRA 2014's passage and its subsequent debut in 2019. The National Pension Commission introduced the MPP with the intention of expanding CPS coverage to include the unorganized sector. People who operate in the informal sector are particularly susceptible to poverty or incapacity because of the nature of their labour and their inconsistent income source. Therefore, in order to protect children from social insecurity as they get older, it is necessary to instill in them a saving mentality through the Micro Pension.

According to the National Pension Commission (2019), a Micro Pension Plan is a financial contribution plan under the Contributory Pension Scheme (CPS) that enables self-employed individuals and those employed by companies with fewer than three (3) employees to contribute to the provision of pensions upon their retirement or incapacitation. The Micro Pension plan was created so that those who are low-income and extremely susceptible to the risk of becoming impoverished in old age might take advantage of the benefits and ensure a stable retirement income in the future. Ghana, Kenya, and India are just a few of the countries where the Micro Pension scheme has shown success.

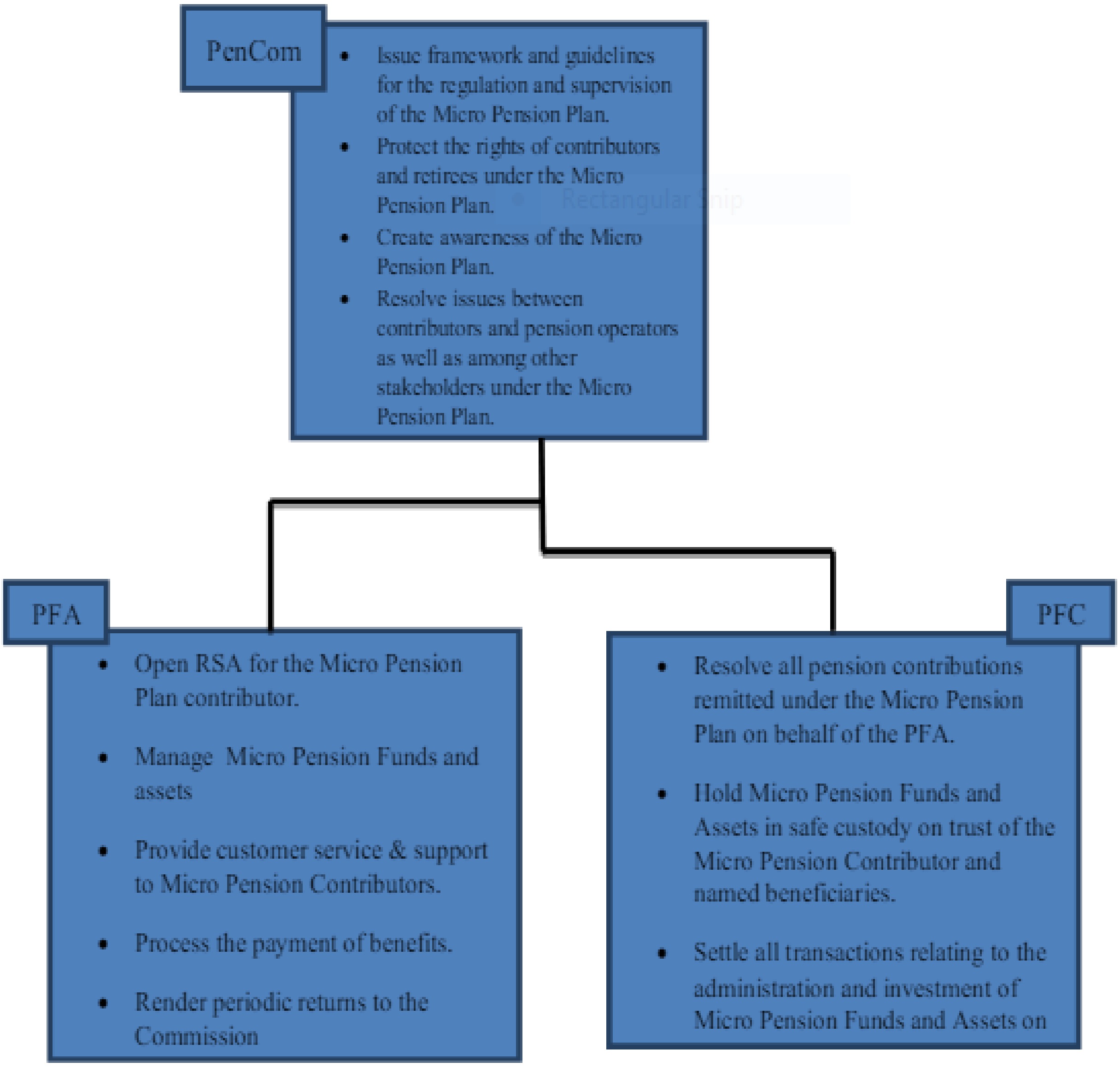
The National Bureau of Statistics (2016) reports that 41.43% of the GDP in 2015 came from the unorganized sector. At 39,004,077 million, compared to 58.56% for the formal sector, which is valued at 55,135,199 million. Additionally, according to Ajeamo (2019), the informal sector grew at an average yearly rate of almost 8.5% between 2015 and 2018. This demonstrates how crucial the unorganized sector is to the expansion and improvement of the Nigerian economy.

Since the Micro Pension Plan (MPP) was launched in March 2019, the number of registered participants has increased. In the third quarter (Q3) of 2019, there were 4,257 contributors with a contribution of N0.98M, while in the first quarter (Q1) of 2021, there were 65,755 contributors with a contribution of N106.18M. Examining the following figure closely reveals that in Nigeria, just 0.035% of the 90% in the unorganized sector are members of the Micro Pension Plan. Since its inception, Nigeria's Micro Pension Plan has encountered many challenges.

Framework for Micro Pension Plan in Nigeria

The National Pension Commission (PenCom) (2018) issued a public notice on its guidelines and operational modalities for implementing the Micro Pension Plan to stakeholders. The guidelines consist of three broad areas, which are; strategies for securing participation in the Micro Pension Plan, operational modalities for the Micro Pension Plan, and minimum requirements for participation by licensed Pension Administrators and Custodians.

Figure 3 Institutional Framework of the Micro Pension Plan in Nigeria

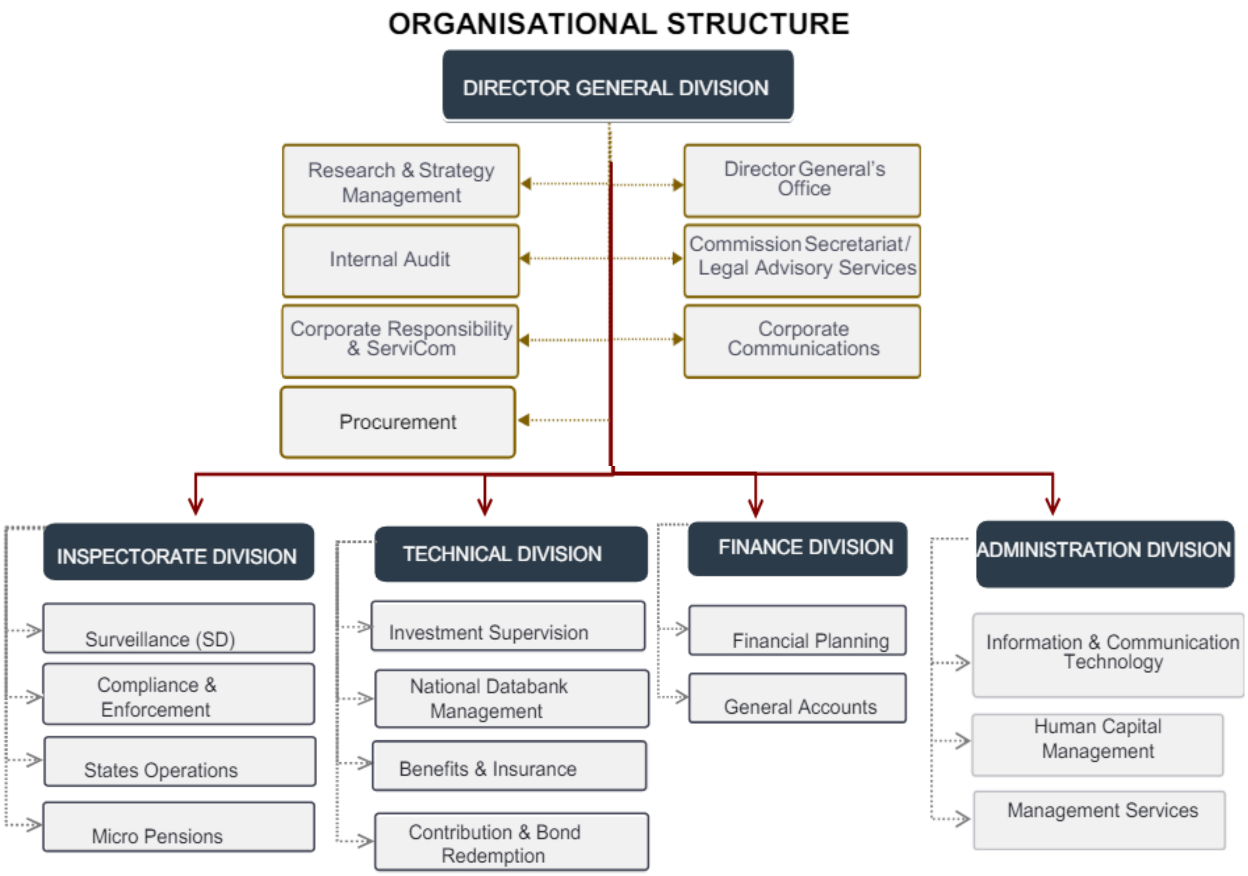


Sources: Pencom (2018)

Rationale and Benefits of a Replicable Digital Micro-Pension Model for African States

Over 700 million young informal sector workers across Africa are excluded from formal pension and social protection arrangements and face the grim prospect of living in extreme poverty for over 20 years after they are too old to work. Without an urgent and effective policy, regulatory and business response to pension exclusion, poverty among the Africa's future elderly will become the dominant cause of increased poverty across the Continent. The only sustainable policy option for African nations therefore is to (a) build inclusive mechanisms that provide citizens with secure and convenient access to simple, affordable and well-regulated micro-pension products, and (b) put sustained energy into achieving population-wide retirement literacy to encourage young, excluded citizens to voluntarily set aside a part of their incomes for their old age. In parallel, countries would need to build on modern developments in ID, IT, behavioural economics, and the deep links being forged through financial inclusion initiatives to enable excluded informal sector workers to save for their old age. If even African nations achieve modest pension coverage among informal sector workers, it could generate billions of dollars in new, long-term savings which could in turn fuel economic growth, infrastructure development and employment across the Continent. It is not surprising therefore that several countries in Africa are actively contemplating or implementing new, contributions-led micro-pension programs aimed at achieving broad based social protection to reduce vulnerability in old age for their huge informal sector workforce. Over time, and if micro-pension systems design and implementation is based on sound principles, this could help reduce future budgetary pressures by increasing self-provision, contribute to economic growth by increasing aggregate long-term savings, and provide greater depth and liquidity to capital markets (Khanna, Bhardwaj and Gautam, 2023).

Figure 4: Organizational structure



Source: Annual Report of National Pension Commission (2021)

Director General's Office Department

The Department managed the Commission's Strategic Relationship with the relevant stakeholders including Governmental and Non-Governmental Organisations, Development Partners as well as local and international institutions. It also provided effective and efficient security, protocol and liaison services for the Commission.

Commission Secretariat/Legal Advisory Services Department

The Commission Secretariat/Legal Advisory Services Department has the mandate to render legal and secretarial services to the Board, Management and all Departments within the Commission. The Commission's seal and original copies of legal instruments were under the custody of the Department. Other activities of the Department during the period under review included the coordination of the Commission's appearance at any Public Hearings organized by the Senate and/or House of Representatives, review of draft Bills, coordination of the issuance of information requested by NonGovernmental Organizations in compliance with the Freedom of Information Act, 2011 as well as managing litigations directly or through appointed external solicitors.

Corporate Communications Department

The Department continued to promote the corporate image of the Commission through multi-faceted channels aimed at enlightening the general public on the roles and activities of the Commission as well as the workings of the Contributory Pension Scheme (CPS). In addition, it produced quarterly newsletters, which highlighted significant events in the pension industry and organized various interactions with journalists and many sensitization programs with various stakeholders. It published infographics and advertisements relating to the CPS and other information on pension matters on several media platforms.

Corporate Responsibility & ServiCom Department

The Department implemented the Corporate Social Responsibility efforts of the Commission. It also coordinated the consumer protection efforts of the Commission covering Front Desk and Contact Centre activities as well as handled complaints and enquiries received by the Commission through the electronic and social media platforms.

Internal Audit Department

The Internal Audit Department conducted the audit of the Commission's various financial transactions after which detailed recommendations were made and approved by Management for implementation. It also conducted routine audit exercises on the level of compliance, by departments, with existing business policies and processes laid down for the smooth operations of the Commission.

Procurement Department

The Procurement Department ensured timely and efficient procurement of goods, works and services for the Commission in strict adherence with the Public Procurement Act 2007 and other guidelines and regulations issued by the Bureau of Public Procurement (BPP). The Department carried out the Needs Assessment for goods and services by all departments in the Commission, coordinated the insurance of the Commission's assets, supervised and monitored the implementation of various projects and coordinated the issuance of job completion certifications.

Research and Strategy Management Department

The Research and Strategy Management Department formulated, monitored, implemented and evaluated the performance of the initiatives contained in the Commission's Corporate and Pension Industry Strategy Plans. The Department continued to coordinate research activities, which supported policy decisions by the Commission. In addition, the Department monitored, analysed and maintained the statistics of the pension industry during the year. The Department equally drafted position papers for Management as well as developed and presented papers at various sensitization and awareness fora. It managed the contents of the Commission's website, supervised the Commission's Library and produced the Commission's Monthly Statistics as well as Quarterly and Annual Reports.

A) Administration Division

Management Services Department

The Department provided logistics support and ensured the attainment of a safe and conducive work environment for staff of the Commission both at the Head Office and Zonal Offices. It also collaborated with other Departments to attain the Commission's strategic priorities by providing effective management of the services provided to the Commission by various third service providers.

Information and Communication Technology Department

The Information and Communication Technology Department continued to provide robust connectivity, secure internet and network services to the Commission. It also ensured the availability of ICT services through effective provision and supervision of data facilities and other IT support services. The department developed and deployed the Enhanced Contributor Registration System (ECRS), which replaced the Contributor Registration System (CRS) as well as the RSA Transfer System (RTS), which provided the enabling environment for pension contributors to transfer their Retirement Savings Accounts (RSAs) from one Pension Fund Administrator (PFA) to another.

Human Capital Management Department

The Department provided effective human resource management for the Commission, which covered, but not limited to training and career development of the Commission's staff and the Pension Industry. It ensured the effective allocation of human resources to support the Commission's strategic priorities and coordinated capacity building programmes for the Pension Industry. It also coordinated the introduction of pension courses at undergraduate and postgraduate levels in Nigerian universities and implemented the Departmental and Student Rewards to motivate students to sign up for the pension courses in these universities.

Projects Office

The Projects Office designed and implemented the Commission's Risk Management Framework. The Office ensured the development of an effective Information Security Management System (ISMS) for the Commission as well as the harnessing of opportunities for continuous improvement of the ISMS processes in the Commission. In addition, the Office managed risks associated with the Commission's operational processes, ensured compliance with the industry and regulatory enterprise risk management practices and also coordinated the implementation of the Commission's Business Continuity Plan. The department coordinated the Surveillance Audit of the 25 Commission's ISMS, which was successfully certified ISO27001:2013 compliant by the Professional Evaluation and Certification Board Management Services (PECB MS)

B) Inspectorate Division

Surveillance Department

The Department examined all Licensed Pension Operators during the year and also conducted Special (Target) Examinations using the Risk Based Supervision (RBS) approach to ensure the effective administration of the Pension Industry. The RBS approach ensures that all Operators are evaluated in a comprehensive manner and that supervisory attention is appropriately focused on those Operators exhibiting weaknesses in their operations.

Regulatory and Supervisory Activities

The Commission continued to regulate and supervise the Nigerian pension industry in a transparent and consultative manner. Specifically, the regulatory and supervisory activities covered surveillance; compliance and enforcement; investments monitoring; and the maintenance of databank on pension matters. All regulatory and supervisory activities were targeted towards achieving a sound and sustainable pension industry.

Compliance and Enforcement Department

The Department continued to implement various strategies to ensure compliance with the provisions of the PRA 2014 by both the private and public sector organizations. The strategies included the issuance of Pension Clearance Certificates, public enlightenment on the provisions of the Pension Reform Act (PRA 2014) as well as the engagement of Agents to recover outstanding pension contributions with penalties. The Department supervised the refund of pension contributions to the Military and Security/Intelligence personnel that were exempted from the CPS, supervised the Pension Transitional Arrangements Directorate (PTAD) and the on-going transfer of the Nigeria Social Insurance Trust Fund (NSITF) contributions into members' Retirement Saving Accounts (RSAs), pursuant to the provisions of Section 53(2) of the PRA 2014.

Micro Pension Department

The Department implemented the Framework and Guidelines for the participation of informal sector employees in the CPS through the Micro Pension Plan. It carried out several enlightenment and awareness programmes to enlighten Trade Unions and secure their buy-in into the Micro Pension Plan.

States Operations Department

The Department provided technical support on the implementation of the CPS by State Governments. It also provided services closer to the stakeholders through the Commission's six Zonal Offices. These included routine inspections of States' Pension Boards and Bureaux in order to ascertain their levels of compliance with the CPS, complaints handling, collection of applications for Compliance Certificates as well as conducting sensitization workshops.

C) Technical Division

Benefits and Insurance Department

The Department processed the requests for approval for payment of retirement/ terminal benefits submitted by PFAs on behalf of RSA holders or beneficiaries. These included benefit payments through Programmed Withdrawal (PW) and Retiree Life Annuity (RLA) as well as requests for death benefit claims to the named legal beneficiaries of the deceased RSA holders. In addition, the Department had, during the period under review, processed other benefit payments such as enbloc, temporary loss of job, voluntary contributions and Pre-Act / NSITF contributions.

Contributions and Bond Redemption Department

The Department computed the pension contributions of employees of Treasury-Funded Federal Government of Nigeria (FGN) Ministries, Departments and Agencies (MDAs) that were yet to migrate to IPPIS and remitted the funds to the respective RSAs of the employees. In addition, the Department, in conjunction with the Information and Communication Technology Department, developed the electronic enrolment and verification system, which was used to conduct the verification and enrolment of prospective retirees of FGN MDAs for the purpose of computing their accrued pension rights. Similarly, the Department computed and paid accrued rights of all retirees and deceased employees of FGN Treasury Funded MDAs.

Investment Supervision Department

The Department supervised the investment of pension fund assets through the review of daily portfolio valuation reports of the RSA Funds. It also reviewed the monthly reports of the Closed Pension Fund Administrators (CPFAs), Approved Existing Schemes (AES) and other Legacy Funds. Furthermore, it ensured that pension fund assets were appropriately valued in accordance with the Regulation on Valuation of Pension Fund Assets issued by the Commission. The Department approved fees computations by LPFOs and reviewed the audited accounts of the Pension Funds.

National Data Bank Management Department

The Department maintained a comprehensive database of contributors and retirees under the CPS. It handled the resolution of all RSA registration and contributor data updates as well as continued the data recapture exercise towards the provision of a single lifetime RSA to every contributor under the CPS based on unique identification. It worked in conjunction with the Information and Communication Technology Department in the development and deployment of a new RSA Registration Application (Enhanced Contributor Registration

System) and the development of the RSA Transfer System (RTS), to facilitate the transfer of RSAs from one PFA to another.

D) Finance Division

Financial Planning Department

The Department prepared, monitored and analyzed the Commission's annual budget. It also prepared periodic reports on budget performance as well as the preparation of supplementary budgets, when required. The Department liaised with relevant Government Agencies regarding budgetary matters and monitored the investments made from the Contributory Pension Account being managed by the CBN.

General Account Department

The Department maintained complete, accurate and reliable financial records as well as ensured the provision of funds for the smooth operations of the Commission. It also facilitated the external audit of the Commission's annual accounts and ensured that best practices were adhered to on the physical control of the Commission's fixed assets.

Surveillance of the Pension Industry

Section 92(1) of the Pension Reform Act (PRA) 2014, empowers the Commission to examine licensed Pension Operators at least once every year. Consequently, the Commission continued to monitor the activities of the Pension Operators through the instrumentality of on-site/special examinations as well as off-site surveillance and analysis of all Pension Fund Operators. In addition, the Commission conducted the inspection of States' Pension Boards/Bureaux to ascertain the level of implementation of the CPS as well as the administration of the Defined Benefits Schemes (DBS) in the States and the FCT.

On-Site/Special Examinations of Pension Operators

During the year under review, the Commission conducted routine on-site examination of the LPFOs. Following the conclusion of the examination exercise, the Commission presented reports of its findings and recommendations to the respective Boards of LPFOs for their review and implementation. Similarly, the enhanced off-site monitoring of the activities of the LPFOs continued through analysis of their periodic reports submitted via the Risk Management & Analysis System (RMAS). As at 31 December 2021, all the LPFOs had rendered complete returns covering compliance, risk management and internal audit functions as well as the monthly management accounts. The reports indicated that the LPFOs substantially met all the thresholds set out in extant regulations and guidelines issued by the Commission. Nonetheless, a number of areas of concern were noted and are being addressed as enumerated in I-IV below

The contributions of pension governance to the welfare of retirees in Nigeria

Ahmed (2005) as cited in Anazodo, Ezenwile, Chidolue and Chidinma (2014) highlighted that the new pension act is contributory in nature, it is mandatory for all categories of workers in the public and private sectors, every person that worked receives his or her retirement benefits; employees and employers make a contribution of 7.5% every month to be managed by the licensed Pension Fund Administrators who deposit these contributions to the Pension Fund Custodians. The contributions are tax-free; employees transferred to other employments have their contributions secured. The workers can choose their own pension administrators and look forward to these contributions when they retire. Eme et al (2014) opined that the amended Pension Reform Act 2014 gave more powers to PENCOM as it regulates the Pension Fund Administrators and Pension Fund Custodians. The Act makes provisions for the repositioning of the Pension Transition Arrangement Directorate (PTAD) to ensure greater efficiency and accountability in the administration of the Defined Benefit scheme in the Federal Public Service such that payment of pensions would be made directly into pensioner's bank account in line with the current policy of the Federal Government. It reviewed upward the minimum rate of pension contribution from 15% to 18% of monthly emolument where 8% will be contributed by the employee and 10% by the employer. The Act gave the regulatory body the power to sanction the PFAs or PFCs that failed to abide by the laid down rules and regulations. It equally stipulates punishment for those that embezzle pension funds

The positive thing that the Federal government of Nigeria has done about pension reform matter is the introduction of the contributory pension scheme through the pension reform Act 2004 which commenced in June 2004. The CPS requires a civilian employee who is not a daily paid or casual worker, and the employer in either the public or private sector organization to contribute to the scheme. The employee and the employer are to contribute a minimum of seven and a half per cent (7.5%) each of the employee's consolidated monthly emoluments (or the employer alone can contribute the minimum fifteen per cent (15%) to the employee's pension fund. For the armed forces, the government contributes twelve and a half percent (12 1/2%) and the armed forces personnel contributes two and a half percent (2 1/2%). Those exempted from the scheme are the Chief Justice of Nigeria, a Justice of the Supreme Court, President of the Court of Appeal, a Justice of the Court of Appeal, 'who retires at or after the age of sixty-five years'. Nigeria adopted for the contributory pension scheme following her pension's reform in 2004. Pension is the amount paid by government or company to an employee after working for some specific period of time, considered too old or ill to work or have reached the statutory age of retirement. It is monthly sum paid to a retired officer until death because the officer has worked with the organization paying the sum (Adam, 2005). Pension is also the method whereby a person pays into pension scheme a proportion of his earnings during his working life. The contributions provide an income (or pension) on retirement that is treated as earned income .This is taxed at the investors‟ marginal rate of income tax. On the other hand, gratuity is a lump sum of money payable to a retiring officer who has served for a minimum period of term year (now sixty- five years with effect from 1/6/92). A greater importance has been given to pension and gratuity by employers because of the belief that if employees‟ future needs are guaranteed, their fears ameliorated and properly taken care of, they will be more motivated to contribute positively to organization‟s output. Similarly various governments‟ organizations as well as labour union have emphasized the need for sound, good and workable pension scheme (Adebayo, 2006).

Masinde and John (2015) assessed the impacts of pension reforms on the Kenyan pension industry. Specifically, the study determined national social security fund contribution rate and analyzed the effect of national social security fund on both private and public social security system in Kenya. The study employed primary data collected through questionnaire from 250 respondents from different pension scheme in Kenya. The study analyzed data using frequency and percentage method. The study revealed that 6% is sufficient to meet the welfare conditions of Kenyans. Also, the study discovered that NSSF will help to meet retirement needs of employees including self-employed. However, the study revealed that NSSF has negative provisions that would impact on the retirement benefits industry and increase unemployment.

Ajiboye (2011) investigated pension reform act 2004 and well-being of Nigerian retirees. The study specifically conducted a sociological evaluation of the provision of pension reform. The study used discursive method. The study revealed that the more generous the pension benefits, the higher the income in the older population and that a more generous pension system may, in addition, have a redistributive impact, thus reducing income differences in society, and particularly amongst the elderly. However, the study discovered that the reform has failed to contribute to basic social security in old age for the majority of Nigerians employed in the informal sector while the minority of covered workers is also likely to experience problems. The analysis of the early results of the Reforms indicates that, increased savings rates might not be desirable in a country characterized by large-scale poverty. Therefore, the study concluded that an evaluation pension reform. Policy may not be able to achieve its targeted objective to large extents

Nnanta, Okoh and Ugwu (2011) examined the effects of the new pension reform for social safety planning in the local government. The study specifically analyzed the implication of new pension reform for social security planning in the local government services in Nigeria. The study used content analysis through which the study discovered that Pension Reform Act translates to being a social security insurance which is a government programme that helps workers, retired workers and their family achieves a degree of economic security and provides cash payments to help replace income lost as a result of retirement, unemployment, disability or death

Stephen (2014) carried out a comparative analysis of the implementation of the defined contributory pension scheme in Nigeria and Chile. Basically, the study examined the effect of pension reform on social security among retirees. The study employed discursive method. The study revealed that pension reform scheme led to the investment of significant proportion of the Chile's portfolio in fixed income securities; it also led to significant growth of insurance company reserves and investment of pension funds made a positive impact on Nigerian economy. Also, the study showed that pension has made provision for social security for the retirees at old age in Nigeria and Chile. However, the study identified that one of the major challenges experienced in the course of the transition from defined benefits to defined contributory plans was the huge transition costs.

Adeniyi, Akinnusi, Falola and Ohunakin (2017) examined administration of retirement benefits in Nigeria. The study specifically examined nature and design of defined contribution plans, their institutional arrangements as well as the governance structures of the new pension plans in Nigeria. The study employed discursive method. The study explained that new Pension Act clearly states that any interests, profits, dividends, investments and other income accruable to pension funds or asset are not taxable Pensioners in the 2014 era have access to information about what they are entitled to ranging from their monthly balances to the lump sum awaiting them upon retirement even the monthly pension. However, the study identified that, comprehensive accounting standards for retirement benefits must be established to protect the pension funds since retirees place less reliance on family to look after them at old age.

The challenges of pension administration in Nigeria

Over the years, Nigeria is confronted with a lot of challenges among which is pension and gratuity of her workers. Both the private and public sector workers have been faced with numerous challenges. The public sector workers for instance, have suffered a lot under the Defined Benefit Scheme (DBS) and their private sector counterparts have been pained owing to different pension plans by their respective employers. Retirement benefit paid to retired employees prior to 2004 Reform Act was gratuity and pension.

As viewed by Ugwu (2006) in Amujiri (2009) there are four main classification of pension in Nigeria. These are retiring pension, compensatory pension, superannuating pension and compassionate allowance. It should also be noted that gratuity is a one-and-for-all lump sum of money paid to an employee on retirement. A retiring worker can be entitled to gratuity only or both gratuity and pension. It then means that a worker who is entitled to pension is also entitled to gratuity.)The history of Nigeria's pension system dates back to the year 1951 when the first pension scheme was inaugurated in the country. According to Balogun (2006), Nigeria's first ever legislative instrument on pension matters was the Pension Ordinance of 1951 which had a retroactive effect from 1st January, 1946. The law provided public servants with both pension and gratuity. The National Provident Fund (NPF) which was established in 1961, was the first legislation enacted to address pension matters of private organizations.

Unfortunately there are array of missteps and derelictions on the part of the pension commission since its inception. It is in this context that Fapohunda (2013) lamented that there is a significant lack of adequate capacity building in the new pension industry with the personnel in the emerging pension fund industry showing a high degree of overlap with other business interest. More specifically, Abdulazeez (2015) observed that pencom has been weak, in enforcing regulatory compliance. For example, pencom failed to enforce regulations stating that Pension Fund Administrators must report in a timely manner about the value of their retirement savings account.

The operations of the PRA 2014 is evidently hampered by the interplay and interactions of different intervening bureaucratic elements in the ministries, departments and agencies of governments at different levels. The next bureaucratic interface presents the pension fund administrators, pension fund custodians and the other variables within the framework of the National Pension Commission. The entire gamut of activities and evolving administrative mix generates a dynamic of its own with a tendency to derail set objectives. As a result the management process becomes rigid, slow and prone to manipulation by unscrupulous staff. Mukoro, (2005), Anazodo, Okoye and Emeka, (2012) had noted that the Nigerian bureaucracy tends to be tainted with corruption and pervasive impunity. Fraudulent tendencies have continued to thwart the realization of efficiency and high performance in the civil service. Another area of interest is the leadership duration of PENCOM officials. The tenure of the Chairman and the Director-General of the National Pension Commission (pencom) is for a period of five years in the first instance and may be extended by another term of five years by reappointment. (PRA 2014). While this provision appears normal and apparently innocuous, the impact of a non performing leadership for ten years would result in a legacy of monumental disaster. Given the strategic nature of Pencom as an institution in the socio-economic and political dynamics of Nigeria, the Pencom leadership at all levels should be restricted to a single tenure of five years and no more. This would forestall privatization of office and tendency to nurture cronyism and corruption.

The PRA 2014 in section 5 contains what has been described as a discriminatory policy, because the Act exempts some categories of professionals from the contributory pension scheme. These include the categories of persons mentioned in section 291 of the Constitution of the Federal Republic of Nigeria (1999) (as amended), Members of the Armed Forces, Intelligence and secret service. This provision clearly violates the letter and spirit of cardinal objectives of the Act which is to 'establish a uniform set of rules, regulations and standards for the administration and payments of retirement benefits.' The exemption clause indirectly created the window of agitation to opt out of the contributory pension scheme as enunciated in the PRA 2014. Among the first group to seek alternative pension platform is the Academic staff union of Universities (ASUU). Recently, Pencom at the behest of the Federal Government issued a License of approval to the ASUU pension scheme known as the Nigerian University Pension Management Company (NUPEMCO) as an independent pension scheme for university lecturers.(Chike Obinna, 2020).

In a documented report, Maina (2014) noted that the Pension office of the Head of Service of the Federation has been collecting 5 billion Naira for the payment of pension every month. The breakdown of this amount was 3.3 billion Naira for the payment of pension of over 141,000 retirees, 800 million Naira as arrears, and 900 million Naira as death benefits and gratuities. However, investigation by the Pension Reform Task Team after a biometric exercise revealed that only 825 million Naira was required for the payment of just 71,000 genuine pensioners. In other words, officials of the pension unit has been collecting 5 billion Naira monthly and paying only 825 million Naira to pensioners and pocketing nearly N4.2 billion Naira. This revelation shocked the Nation and rekindled skepticism and doubt about the capacity of the PRA 2014 to turn around the pension industry for the better. The report further revealed that civil servants and officials of the pension offices organized a sophisticated syndicate which specialized in stealing pension funds in the most mind boggling manner. One of the ways used in stealing the funds was through the payment of ghost pensioners. This was done with the connivance of bank officials. Staff of the office of Head of Service would shuffle files of living and dead people to cook up names and add to the payroll (Maina, 2014).

Although corruption is endemic in Nigeria, this scale of fraud in a supposedly well supervised and regulated system is worrisome and bizzare. It is expected that the relevant institutions should plug the loopholes in order to allow the PRA 2014 to thrive and engender a credible, reliable and transparent Pension administration in Nigeria. This has become inevitably urgent because a recent National Assembly public Hearing on pension recalled that six civil servants stole 24 billion Naira from the police pension fund. The same persons were alleged accomplices in the illegal diversion of another 32.8 billion Naira from the same police Pension fund. Similarly, 151 billion Naira and six 6 million pounds were recovered after the conduct of biometric data capture exercise. Fapohunda (2014). This massive scale of organized and syndicated fraud is enough for the declaration of state of emergency in the pension sector in Nigeria. This sad turn of events if not immediately checkmated would ruin the gains of the new pension scheme, worsen the fate of pensioners and seriously sabotage the Nation's economy

Dostal (2010) noted that pension fund administrators fail their customers in terms of providing clear information about their investment strategies. A survey of PFA websites showed that many have not been updated for at least two years. Moreover virtually all companies were in breach of Pencom's guidelines to publish the rates of returns of the Retirement Savings Account (RSA) fund at the end of each financial year and to make unit prices for their RSA funds readily accessible on their websites. The silence on rates of returns appears to be no coincidence and covers up negative returns once inflation and management charges are factored in. Apart from inflationary pressures, the near total restriction of investment of pension funds in Federal Government of Nigeria securities is another devastating factor

Preda et al. (2004) analyzed the pension system reforms in Romania during the transition process. According to this study, some of the main problems faced by the pension system in Romania during these years are inequality in the calculation of pension benefits, delays in reforms, legislative instability, the decrease in the number of contributors and the alarming increase in the number of pensioners. To overcome these problems, this study recommend that Romania develop a medium- and long-term strategy regarding older people, establish an electronic database of population data, and establish efficient monitoring, analysis, and policy system

It was heartbreaking to witness elderly retirees—some of whom were critically ill—struggling to get the pension benefits to which they were rightfully entitled under the previous pension scheme. When they were living seniors were being pushed back and forth in a loop where they were probably dealing with health issues related to ageing, and they were itching to receive their entitlements, which were perpetually behind schedule. Pensioners would sometimes slump and pass away while standing in huge lines to receive their illusive benefits. However, pensions are meant to lessen the long-term effects of poverty, vulnerability, and exclusion in both the official and informal spheres of human activity. Pensions are meant to be a sort of social protection (Adagbabiri, & Okolie, n.d).

Before the Pension Reform Act was passed in 2004, employees had doubts about the CPS's future. They have serious concerns due to the previous problematic schemes and outstanding liabilities. They had little faith that any reform would produce a different result, given the lacklustre track record of the numerous reforms implemented by various administrations since the 1970s.(Eme, Uche & Uche, 2014).

There is case of slow adoption. Even while the scheme covers the great majority of Nigerian workers, the enrollment and pension asset estimates could have been double or even triple that. As an opportunity for the pension industry, this is not always bad news. It implies that a sizable workforce is still eligible to participate in the Plan. The economy would benefit from increased employment, capital creation, and infrastructure development in addition to ensuring contributors' retirement if States, Councils, and the Informal Sector fully support pension reform. The pension industry would also be far larger than it is now (Dahir- Umar, 2023).

Consequently, there are more reasons for the pushbacks and resistance to pension reform in the public sector. Some public officials mistakenly believe that pension funds are idle assets that can be managed to benefit a select few people at the expense of the actual contributors. However, considering the volume of pension crises in the public eye for which charges and convictions have been brought, the Commission is committed to implementing the open and accountable system stipulated by the pertinent legislation, particularly the Pension Reform Act of 2014.

However, another obvious challenge facing the contributory pension scheme is limited scope of coverage, it is instructive to observe that the objectives of PRA 2014 reflect a wider scope of potential coverage which includes all the strata in the formal and informal sectors of the national economy. Among the objectives of PRA 2014 is to: (a) establish a uniform set of rules, regulations and standards for the administration and payments of retirement benefits for the public service of the federation, the public service of the Federal Capital Territory the public service of the State Governments, the public service of the Local Government Councils and the private sector. This critical mandate is yet to be realized because the implementation or operation of the PRA 2014 is still mainly restricted to the federal public service made up of Ministries, Departments, and Agencies (MDAs) and its other parastatals. Many State Governments' Public Service, Councils of local governments and a wide spectrum of the private sector are yet to fully key into this laudable contributory pension scheme as encapsulated by the PRA 2014. The implication of this is that most state governments are still under the burden of unfunded pension debt regime whereas the PRA 2014 was intended to encompass and manage the pension industry in Nigeria. Cases of heavy backlog of pension arrears of many years still dot the budget profile of many state governments in Nigeria. Ekpulu and Binigilar (2016) noted that as of march 2014, the figure of registered contributors stood at 6,025,117 employees covering both the public and private sectors, which is only about 11% of the total labour force in Nigeria. More than 70% of the population are yet to enlist into the scheme.

There has always been misperception and suspicion by a wide cross section of workers on the credibility and sustenance of the new pension scheme. According to Abdulazeez (2015) while the initial reluctance and skepticism of workers to register with pension fund administrators has reduced, there is a large population especially in the informal market of the private sector outside of the scheme. Several years after the take-off, the scheme is still bedeviled by general misconception and knowledge gap. The low scope of coverage recorded by the PRA 2014 since the commencement of its predecessor in 2004, may be a reflection of poor institutional framework represented by the supervisory and regulating body-the National Pension Commission (penCom)

Aigbepue and Ojeifo (2014) in their study titiled "Transparency and Accountability in the Nigerian Pension Funds Management" identified the roles and responsibilities of all stakeholders in the Contributory Pension Scheme and emphasized the need for ethics, transparency and accountability in the management of pension funds. They concluded their work by identifying the challenges of the new scheme and made suggestions as to how the operation of the new scheme could be improved upon having in mind the important issues of ethics, transparency and accountability.

Ways to mitigate the difficulty faced by retirees

The pencom management released a public statement outlining many strategies that public and private businesses might use to increase retirement benefits. This is to allay contributors' legitimate concerns about inadequate pensions, particularly those of retirees from the public sector. It is evident that the Public Sector's pay structure is less competitive, which is why the Private Sector is performing better in this area. A total monthly contribution of 18% is required under the PRA 2014, which is made up of 8% contributions from the employee and 10% from the employer. Typically, it is important that employers reconsider their 10%. The Law stipulates a bare minimum. It's not the top limit. Via a collective agreement, both parties may evaluate the percentage increasing mutually.

However, it's believed that pensions should not be the only social security benefits provided in Nigeria. For some donors, the only thing they have after retirement is their pension, hence they are sincerely seeking exemption from the CPS. They have good right to be concerned about what is ahead. PenCom has always argued that Nigeria ought to implement zero-pillar pensions as a social security benefit, as acknowledged and allowed by Federal Republic of Nigeria 1999 Constitution Section 16(2)(d) (as amended) Nigerians' pains would be greatly lessened by a social security benefits system, regardless of whether they had official jobs or not. Additionally, it will increase occupational pension earnings. Despite the campaign being launched based on this premise, the issue of insufficient pensions will not be resolved by exempting a group or an organization from the CPS. There could yet be dangers to the pension system. A shortcut that goes nowhere is exemption. Liabilities will continue to be unresolved. Because of this, activists and campaigners should never try to divide the field; instead, they should always view the big picture.

The requirement for Employers and employees might gain equally from increased retirement benefits. It can boost employee loyalty and morale, draw in and keep talent, and enhance an organization's reputation. People want some kind of stability so that when they retire from active job, they won't become penniless. People who are accustomed to a steady paycheck and all of its benefits find it frightening and unsettling to even consider the possibility of surviving retirement, particularly if they are in the public sector and have small retirement funds.

Gaps in Literature

This study focus on the assessment of pension governance in Nigeria, 2014-2024. However, it was observed that most of the empirical studies carried out pension governance was done in a small scope but the present study cover a wider scope which is entire Nigeria, the study will look at the positive impacts made by the pension governance in Nigeria, especially towards the welfare of retirees in Nigeria, it also assess the future of the pension governance in Nigeria.

The deficiency in the work Ndukwe (2023) Pension administration and retirees welfare in Nigeria: a study of imo state civil service, will the filled in the present study, Ndukwe study was carryout in a single state as such the scope of the study is too small and cannot be generalize to represent the entire country, the present study assess pension governance in the entire country, however the wider scope of the study will offer a more understand of the topic.

This study will fill the gaps left in the study conducted by Oluwalana & Ibiwoye (2020). Governance and Funds Investment: The Experience in Nigeria's Pension Industry, the study failed to look at the positive impacts made by the pension governance in Nigeria, especially towards the welfare of retirees in Nigeria.

Theoretical framework

The Deferred Wage Theory

The Deferred Wage Theory was propounded by David Richardo. Weaver (2003) The deferred wage theory The major theory adopted in this study is the deferred wage theory, as referred in Adejoh (2013), which consider pension plan as a method to postpone some compensation until a worker retires. The employer promises to provide a pension payment in exchange for current services. The deferral of wages often results in individual tax savings. The advantages to the employer of providing a pension plan are less obvious. Under the deferred wage theory, firms offer pension plans because of economies scale in administrative, portfolio management and other costs, e.g. Lester (1967), Fosu & Strobel (1983) and Freeman (1981). The employer receives cash flow benefits to the extent that the present value of deferred wages exceeds the required funding. The deferred wage theory generally incorporates a long-term or lifetime implicit labor contract between the employer and employee that has various implications for the employer (Logue, 1979). Salop and Salop (1976) and Blinder (1982) suggest that the delayed vesting of pension plans may decrease employee turnover costs. Becker (1964) suggest that firms have an incentive to expand training costs as a result of delayed vesting, since it causes "average" employees to work longer for the company, resulting in a greater payback of these training costs.

Application of theory

The deferred wage theory views the pension plan as a means of deferring some compensation until an employee retires. This implies that the employee defers gratification, such that some part of the benefit he should have gotten at the moment of service is held back by the employer till retirement when the employer provides a pension payment in exchange for the services rendered during active period. According to this theory, the employers of labour most of the time does not see the advantages of providing a pension plan; firms offer pension plans because of economies scale in administrative, portfolio management and other costs. This theory argues that the employer receives cash flow benefits to the extent that the present value of deferred wages exceeds the required funding. This theory explains the reason why some private establishments in the developing economies and Nigeria in particular have found it difficult to engage in the pension scheme as provided for in the 2014 Pension Reform Act. These firms see the money they contribute as a waste since the employer won't be under their employ at the moment of pension payment. Yet this is where the Act has its strong point since it has provided that the pension contribution is done at the moment of active service, such that the employer can see it as part of the employee's remuneration, only to be deferred by the employee (Edogbanya, 2013)

The deferred wag theory is widely held theory in explaining pension plans, it view the pension plan as method to defer some compensation until an employee retires. The employer promises to provide a pension payment in exchange for current services. The deferral of wages often results in individual tax savings. The advantages to the employer providing a pesion plan are less obvious.

METHODOLOGY

Research design

This study adopts the mix research design which include the descriptive, exploratory and ex-post facto research design. This design is relevant to secondary data already available. While Ex post facto investigation provides a solution to research problems by using data which are already in existence. Most importantly, the analysis when concluded can provide considerable insight into possible future outcomes (forecast). As rightly affirmed by Eme and Johnson (2012), ex-post-facto research design involves events that have already taken place. While the descriptive and exploratory as the name suggests, describes and interprets the actual phenomena under study.

Area and Location of Study

The study area is Federal Republic of Nigeria: is a country in West Africa. It is situated between the Sahel to the north and the Gulf of Guinea to the south along the Atlantic Ocean. It covers an area of 923,769 square kilometres (356,669 sq mi); with a population of over 230 million (Speaker, Protectorate and Protectorate, 2018). It is the most populous country in Africa, and the world's sixth-most populous country. Nigeria borders Niger in the north, Chad in the northeast, Cameroon in the east, and Benin in the west. Nigeria is a federal republic comprising 36 states and the Federal Capital Territory, with the capital at Abuja. The largest city in Nigeria is Lagos, one of the largest metropolitan areas in the world and the largest in Africa (Beach, 1966).

Nigeria has been home to several indigenous pre-colonial states and kingdoms since the second millennium BC, with the Nok civilization in the 15th century BC marking the first internal unification. The modern state originated with British colonialization of the area in the 19th century, taking its present territorial shape with the merging of the Southern Nigeria Protectorate and the Northern Nigeria Protectorate in 1914. The British set up administrative and legal structures while practicing indirect rule through traditional chiefdoms. Nigeria became a formally independent federation on 1st October 1960. It experienced a civil war from 1967 to 1970, followed by a succession of military dictatorships and democratically elected civilian governments until achieving a stable government in the Aftermath 1999 Nigerian presidential election, with the election of Olusegun Obasanjo of the People's Democratic Party.

Nigeria is a multinational state inhabited by more than 250 ethnic groups speaking 500 distinct languages, all identifying with a wide variety of cultures (Olaniyi, 2014). The three largest ethnic groups are the Hausa in the north, Yoruba in the west, and Igbo in the east, together constituting over 60% of the total population. The official language is English, chosen to facilitate linguistic unity at the national level Nigeria's constitution ensures de jure freedom of religion, and it is home to some of the world's largest Muslim and Christian populations (Pereltsvaig, 2011). Nigeria is divided roughly in half between Muslims, who live mostly in the northern part of the country, and Christians, who live mostly in the south. Indigenous religions, such as those native to the Igbo and Yoruba ethnicities, are in the minority.

Nigeria is a regional power in Africa and a middle power in international affairs. Nigeria's economy is the second-largest in Africa, the 39th-largest in the world by nominal GDP, and 27th-largest by PPP. Nigeria is often referred to as the Giant of Africa owing to its large population and economy, and is considered to be an emerging market by the World Bank (Jordaan, 2003). Nigeria is a founding member of the African Union and a member of many international organizations, including the United Nations, the Commonwealth of Nations, NAM, the Economic Community of West African States, Organisation of Islamic Cooperation and OPEC. It is also a member of the informal MINT group of countries and is one of the Next Eleven economies

Furthermore, report has shown that in 2021, total number of employed workers in Nigeria is 58.2 million, however, only 9.5 million or 16.5 percent of the workers had pension savings. In 2020, total number of employed workers was 56.2 million, only 9.7 million or 16.5 percent are workers from both private and public sectors who have joined the new pension scheme known as the Contributory Pension Scheme (CPS). This is the total number workers whose employers have so far registered under the scheme and have their respective Retirement Savings Account (RSA) since the inception of CPS in 2004 till 2022 (Aboh,2023).

Population and Sample of the Study

The research covered pension Governance and the management of pension funds as it relates to retirees in both the public service and private sectors of the Nigerian economy and workers, retirees of at both federal and state levels in Nigeria, and the staff of all PFAs domiciled in PENCOM office Abuja FCT. The management and staff of the PFA and department of pension would be interviewed. These two separate units are chosen because they work closely together but are separate legal entities.

Sample Size and sampling techniques

Sampling is taking any portion of a population as representative of that population (Osuala, 2005). In other words, it is the thoughtful choice of a number of people (the sample), who are to provide the data necessary to draw conclusion about a larger group, the population whom these people represent. Agburu, (2001) sees sample as the portion or part of the population that the researcher chooses to study. It is a small sub-set of a population. It is a representative of a particular population of which a study is carried out upon. It is a selected part of a demographic for the purpose of investigation.

The sample size in this research is determined using Taro Yamane (1973) formula.

The formula is n = N/ 1+ N(e)2

Where:

N= Population size

n= Sample size

e= Degree of error

1= Constant The probability of drawing each element of the population on the basis of a sample size is as follows.

N =n/1+n (e) 2

Where N= sample size

N= given population size (9, 700000)

P= level of precision (allowed error) is 5% or 0.05

N = 9, 700000

1+9, 700000 $(0.05)^2$

1+9, 700000 x 0.0025

9,700000

N = 24,251

=399.9

N= 400, approx.

The sample size of 400 was drawn and 20 staffs were selected from the National pension commission office FCT Abuja, Nigeria. Through the convenient sampling techniques, this brings the total sampled size to 400 which is considered fair enough to represent the entire population.

There arises the need to select a sample size which is representative of the entire population. The more representative it is the more the results from it can be generalized to reflect the entire population and thus, free from bias. Therefore to make the sample more generalized, federal and state institutions were sampled (including FCT, Abuja) to take part in the study. Convenience sampling based on personal contacts will be

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employed. Prior to interview, participants would be briefed on the objectives of the research and its significance.

The Quota sampling was applied as the researcher decided to choose particular category within the study area. Therefore, the quota sampling technique was adopted. The population under study were divided into strata or groups, whereby, the three categories selected for the study involved the employees who subscribe to the pension scheme, pension management staffs and retirees. The population of the study shall be purposively drawn from the six geo- political zones (North Central) (NC), North East (NE), North West (NW), South West (SW), South East (SE) and South (SS).

Sources of Data Collection

The two main sources of data used in this research are: Primary data and Secondary data. Primary Data these data will be generated by the researcher for the purpose of the research. Primary data has the main advantage of ensuring that the exact information wanted is obtained. It enables the research to achieve the actual data required. Thus it avoids possible misunderstanding. (i) Questionnaire A good number of questionnaire where designed and distributed to the targeted respondents of PFA and department of Pension that was required to be sampled. (ii) Observation Personal observations on certain aspects events or activities connected with the research will be duly observed in order to arrive at better conclusion on the study.

The Focus Group Discussions (FGDs) is a fantastic instrument of investigation being reinvented by Social Scientists. For FGD, the researcher used the purposive and convenient sampling technique in the selection of respondents for interview at the PENCOM office among different age grades both male and female. Two sections were held, first for male and the second for the female. It is a research technique in which a small group of informants (about 6-8) usually staffs, employees and retirees who have the basic knowledge of the pension administration or the pension scheme are considered important for the investigation. The researcher or facilitator only introduced the topic and direct the discussions along the line of interest to the issue under focus. The researcher moderated and made sure that no single individual dominates the discussions. He used a list of probing questions (discussion guide) to keep the discussions focused while the note taker (recorder) was responsible for taking notes (Isiugo-Abanihe et al, 2002:207). The researcher careful to avoid leading the groups forcefully along his line of thought as proposed by Erinosho et al 2002. A discussion guide with proposed questions were prepared by the researcher for the focus groups facilitators.

Secondary Data: the secondary data for this study were be elicited from different institutions These are data that can be obtained from PFA annual reports, archives, past researchers, various articles, available pension guidelines and, Central Bank of Nigeria Statistical Bulletin and the National Pension Commission (PENCOM) and newspapers. The study period covers from 2004 through 2024.

Techniques of Data Analysis

The data collected from the questionnaires were analyzed using chi-square (X^2) test of independence and analysis by sample percentages.

a. Sample Percentages: This is used as a tool to illustrate the propagation of a sample view or respondents that supports or oppose a particular view. This is the total, used to analyze and interpret each response in relation to the overall respondent, to be expressed as a percentage.
b. Chi-square (X^2): This is also referred to as a sample statistics. It is a technique commonly used in testing the hypothesis concerning the difference between a set of observed frequencies of a sample and a corresponding set of expected frequencies.
c. Descriptive statistics to measure the extent and variety of information reported in the PFA annual report. Furthermore the data will be further stratified and analyze using SPSS application software.

Decision Rule I. Reject the null hypothesis (Ho) and accept the alternative hypothesis (Ha) if the calculated value is more than the tabulated value. ii. Accept the null hypothesis (Ho) and reject the alternative hypothesis

(Ha) if the calculated value of X^2 is less than the tabulated value of X^2

The researchers further used the Chi-Square to test the hypothesis. This was the tool used in determining if the observed frequencies in a sample distribution differ significantly from frequencies that can be expected. It is given by simply multiply the row total of the cell, times the column total of the cell, then divided by the grand total.

The formula for the chi-square statistic is $\chi 2 = \sum (Oi – Ei)2 / Ei$, where:

- χ: Chi
- **Oi**: Observed value
- **Ei**: Expected value

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter presents analysis and interpretation of data gathered from the field by the researcher. The results are presented in two sections; section one is the analysis of the Socio- demographic characteristics of the respondents, section two is the analysis of the main issues of the study.

Table 4.1 socio- demographic Characteristics

Socio –demographic data	Frequency	Percentage %
Gender:		
Male	209	55.7
Females	166	44.3
Total	375	**100**
Age:		
less than 30 years	27	7.2
31-39	153	40.8
40-49	70	18.7
50-59	61	16.3
60-65	43	11.5
Above 65 years	21	5.6
Total	375	100
Marital Status:		
Single	50	13.3
Married	296	78.9
widowed	21	5.6
Divorced	8	2.1
Total	375	100
Education:		
Primary	30	8.0
Secondary	11	2.9
NCE/ND	39	10.4
Degree/HND	98	26.1
Postgraduate	197	52.5
Total	375	100
Occupation:		
Civil servant	200	53.3
Business	41	10.9
Artisan	67	17.9

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Self-employed	36	9.6
Retired	31	8.3
Total	375	100

Source; Field survey 2024

Data on gender dispositions of respondents indicates that the study employed more male respondents (55.7%) than the female respondents (44.3%), the statistical inference deduced from this report is that more male were readily available to partake in the study than the female.

Data on age dispositions of respondents indicates that substantial number of the respondents (40.8%) employed in the study fall between the ages 31-39, the age basket in which large member of individuals are engaged in active service while the respondents between the age 60 years and above were (16.3%). This implies that the majority of the respondents employed in the study are in their active working age that and into contributory pension savings.

Data on marital status of the respondents indicates that substantial majority (78.9%) employed in the study indicated that they were married, while only (13.3%) claimed they were still unmarried, the rest segment of the sampled population (7.7%) fall among the divorced or widowed

Data on educational characteristics of respondents show that majority of the respondents (52.5%) have postgraduate degrees, while (26.1%) of the total sampled population are holders of graduate Degrees or HND. The last segment of the sampled population (23.3%) says they are holder of primary secondary and NCE/ND certificates. This report implies that the all the respondents employed in the study are learned.

Data on occupational disposition of respondents indicate that the majority of respondents (53.3%) are government employees, while the rest are into privates Businesses, Artisans, Self-employed and Retired. This report implies that majority of the sampled population are civil servants who understand and participate in the pension scheme operations.

Table 4.2 Response on whether pension scheme have contributed to the welfare of retirees in Nigeria

Responses	Frequency	Percentage %
Yes	308	82.1
No	67	17.9
Total	375	100

Source; Field survey 2024

Data in table 4.2 indicates that substantial majority (82.1%) accepted that Pension scheme have positively improved the welfare of retirees in Nigeria, while only significant minority (17.9%) hold a contrary view on the issues. This implies that pension scheme is beneficial to older adults and retiree in the country since there is lack of social security in Nigeria, retirees depend on the pension as succor for their financial needs.

During the FGD session, one of the retirees in Federal Capital territory. A Nurse by profession, has this to say:

“Pension allowances have greatly eased my financial problem since I left the service, although am into other business but most times, it’s the pension money that sustain my medical bills and other miscellaneous expenditure”.

This finding correlate with the report of Essien and Akuma (2014) which states that the desirable changes of CPS include: reduction in the level of absolute poverty among retirees, a reduction in the extent of interpersonal inequality, improvements in health services and housing conditions.

Table 4.3 Responses on whether the new pension scheme (Contributory Pension Scheme (CPS) have advantage over the old pension Defined Benefit Scheme (DBS)

Responses	Frequency	Percentage %
Agreed	76	20.3
Strongly Agreed	208	55.5
Neutral	29	7.7
Disagreed	44	11.7
Strongly disagreed	18	4.8
Total	375	100.0

Source; Field survey 2024

Data in table 4.3 indicate the majority of respondents (75.8%) accepted that (CPS) is more beneficial to pensioners than the (DBS), while significant minority of the sample population (7.7%) were neutral on the topic (16.5%) of the total number of the respondents disagreed on the subject. The statistical inference deduced from this report is that many people are more interested to subscribe to the contributory pension scheme because of the advantage it has over Defined Benefit Scheme.

In the course of the FGD, the participants reported that: the contributory pension scheme provides them with basic information on financial breakdown. The (CPS) also makes it possible for contributors to assess their fund easily, and this was one of the shortcoming of the old pension order (DBS). As the Defined Benefit scheme was basically employer driven and mostly funded by the Government. The employer bears the responsibility of handling the fund and ensuring that Pension is paid to retired staff members, on the contrary, the CPS give the contributors access to manage their savings.

This finding corroborate the assertion of deferred wage theory by David Richardo. Weaver (2003) which posits that the pension plan is seen as a means of deferring some compensation until an employee retires. This implies that the employee defers gratification, such that some part of the benefit he should have gotten at the moment of service is held back by the employer till retirement when the employer provides a pension payment in exchange for the services rendered during active period.

Table 4.3: Responses on whether Pensioners are satisfied with the pension fund management in Nigeria

Response	Frequency	Percentage %
Satisfied	199	53.1
Strongly satisfied	88	23.5
Neutral	24	6.4
Dissatisfied	35	9.3
Strongly dissatisfied	29	7.7
Total	375	100.0

Source; Field survey 2024

Data in table 4.3 indicates that substantial majority of the sampled population (53.1%) accepted that they are content with the pension fund management in Nigeria. Also only (23.5%) of the respondents reported that they are highly content with pension management, while less than ten percent (9.3%) of the sampled population said they are not satisfied with the pension fund management in Nigeria. interestingly only 7.7% of the sampled population alleged that they absolutely dissatisfied with the pension fund management in the country. This report implies that substantial segment of the retirees in the country are satisfied with the pension fund management.

In the course of FGD with the retirees, it was generally agreed that: It is no longer a hidden facts that the Contributory Pension Scheme (CPS) have changed the entire pension system for good. This positive change can also be sustained only when the Pension fund managers give the contributors a leverage to understanding how their income is been invested. This step, if taken will bring about more transparency in the system and further increase people's faith in the system.

This report is dissimilar with the finding of Adetuji, Nwude and Ude (2018) which posits that the pension fund administrators and custodians exhibited transparency and accountability in the management of the pension funds with respect to the reports made to PENCOM but not to by their major clients which are the retirees.

Table 4.4 Responses on the challenges of pension administration in Nigeria

Response	Frequency	Percentage %
Corruption	53	14.1
Exemption of some agency	65	17.3
Delay in payment	193	51.5
Inflation eroding earnings	24	6.4
The return of Pension Funds Investment is below inflation rate	16	4.3
Poor understanding of the CPS by successive governments	24	6.4
Total	375	100.0

Source; Field survey 2024

Data in table 4.4 indicates that the majority of respondents (51.5%) highlighted delay in payment as one of the top challenges confronting the pension administration in Nigeria, while other challenges like corruption was (14.1%), exemption of some agency was (17.3%), inflation eroding earning (6.4%) return of Pension Funds Investment is below inflation rate (4.3%) poor understanding of the Contributory Pension scheme by successive governments (6.4%). This report implies that delay in disbursement of pension fund remain a major challenge even with the advent of the contributory pension scheme.

During the FGD, the participants stressed on the facts that the Pencom board since inception failed to be transparent and corruption looms in the management. These are the few reasons that made some people skeptical and cast lots of doubt on the entire pension management

This finding correlate with views of Dostal (2010) which holds that the pension fund administrators fail their customers in terms of providing clear information about their investment strategies. A survey of PFA websites showed that many have not been updated to reflect investment information for at least two years.

Table 4.5 Responses on whether contributory pension scheme have positively Impacted on the welfare of retirees in Nigeria

Response	Frequency	Percentage %
Agreed	138	36.8
Strongly Agreed	163	43.5
Neutral	28	7.5
Disagreed	13	3.5
Strongly Disagreed	33	8.8
Total	375	100.0

Source; Field survey 2024

Data in table 4.5 indicate that significant number of the respondents (43.5%) strongly accepted that (CPS) has positively influenced the welfare of retirees. On the same note, (36.8%) agreed that the (CPS) is positively beneficial to retiree in Nigeria, while, few respondents have contrary views and disagreed with the assertion. This report implies that the contributory pension order have impacted the lives of retirees positively

FGD report: The participants' in the FGD attests that, the (CPS) has more advantage over the (DBS) believe that the contributory pension scheme have really improved the welfare of many retired individuals. For this reason, workers tend to have more trust in the system than the past

This finding is at variance with the finding of Ajiboye (2011) which states that the reform has failed to contribute to basic social security in old age for the majority of Nigerians employed in the informal sector while the minority of covered workers are also likely to experience problems.

Table 4.6 Responses on the major challenges of the Defined Benefits Scheme

Response	Frequency	Percentage %
Mismanagement and embezzlement of the pension fund	194	51.7
Prevalence of the incidence of Ghost Pensioner	47	12.5
Delay in the payment of retirement benefits	86	22.9
Misappropriation of the pension funds	15	4.0
Disbursable amount is nothing to take home	33	8.8
Total	375	100.0

Source; Field survey 2024

Data in table 4.6 indicate that majority of the respondents (51.7%) agrees that (DBS) Defined Benefit scheme was marred by high rate of mismanagement and embezzlement, while (22.9%) decries the issues of delay in payment of benefit to retirees. Other problems of (DBS) include incidence of ghost pensioners, misappropriation of pension fund and that the amount paid to retiree was too meagre. This report implies that the Defined Benefit scheme failed especially in the aspects of retiree's welfare.

In the course of the FGD with retirees under the DBS pension order they have this to say; one of the major challenge we often experience is delay in payment of gratuity and monthly allowance. Some of us have concluded that it is the culture of Pencom to delay payment of pension unnecessary.

This finding corroborate with the report of Maina, (2014) which revealed that civil servants and officials of the pension offices organized a sophisticated syndicate who specialize in stealing pension funds in the most astonishing manner. One of the ways used in stealing the funds was through the payment of ghost pensioners. This was done with the connivance of bank officials. Staff of the office of Head of Service would shuffle files of living and dead people to cook up names and add to the payroll

Table 4.7 Response on the main challenges facing the pension scheme under the new pension Contributory Pension Scheme (CPS)

Response	Frequency	Percentage %
Inflation and low real returns	178	47.5
Exemption of some agencies	48	12.8
Delay in payment of accrued rights	68	18.1
Lack of trust in the scheme	59	15.7
Defaulting of employers for fear of inflation	22	5.9
Total	375	100.0

Source; Field survey 2024

Data in table 4.7 indicate that substantial number of respondents (47.5%) identify inflation and low actual returns as the challenges facing retirees under the new (CPS) arrangement, while (18.1%) mentioned delay in payment of amassed rights to pensioners. Also (15.7%) of the respondents say there is lack of trust in the system, (12.8%) identified the problem of exemption of some agencies from scheme and the last segment of the respondents (5.9%) hold that most employers that opt out of the Contributory pension scheme did so for fear that their savings will lose value due to inflation

During the course of FGD the participants reached the consensus that ; "too many process are involved for individual to access their fund, although opening saving account with Pencom is easy, thereby causing unnecessary delay for fund disbursement. Also accessing fund upon retirement is frustrating, some individuals prefer using their money to make meaningful investment".

I think allowing individuals have a say over how they want their money to be disbursed will actually be reasonable because it is their money for that reason contributors should be allowed to have a choices on the management of their savings" The scheme is clouded with delay in payment and also some of the pension officials are not corruption free, couple with fact that inflation of low real returns is a notable issue. This finding is slightly in line with the report of Fapohunda (2013) who lamented that there is a significant lack of adequate capacity building in the new pension industry as the pe businesses.

Table 4.8 Response on the impact of Contributory Pension Scheme (CPS) on the Nigerian economy

Response	Frequency	Percentage %
It increase in Nigeria's (GDP) Gross Domestic Product	154	41.1
It boosts the capital and money market	102	27.2
Creates employment opportunities and savings for employees	24	6.4
Enhances fund accumulation	42	11.2
Provides funds for growth and development	25	6.7
Cause hardship to civil servant	28	7.5
Total	375	100.0

Source; Field survey 2024

Data in table 4.8 indicates that significant number of the respondents (41.1%) says the contributory pension scheme increase the Gross Domestic Product of the country. Also it was reported that CPS boost the capital and financial market, while less than ten percent (7.5%) of the respondents alleged that the scheme has negative impact as it leads to hardship amongst civil servants that subscribe to the pension scheme. Findings also show that (6.7%) of the respondents say the scheme makes funds available for growth and development. This report implies that the (CPS) has more positive impacts and few negative impact on the Nigerian economy.

It worthy to note that the Contributory Pension Scheme has altered the misconceptions civil servant have nursed in the past. In the past when issue of pension is put on board it remained one of a corrupt entity, but the story is different now, the new pension scheme provides civil servant access to their savings. This study agreed the report of Ameh, Isiwu and Duhu (2017) which established that pension fund assets and pension contribution/savings mobilized over the years have a insignificant impact on Nigeria's economic growth.

Table 4.9 Responses on measures that could improve the pension management in Nigeria

Suggestions	Frequency	Percent
The pension scheme should be more transparent	76	20.3
Government should endeavor to remit accrued rights on time to enable prompt payment of pensions.	105	28.0
Expand coverage: Increase pension enrollment, especially for informal sector workers	54	14.4
Develop annuity markets: Provide sustainable income streams for retirees	54	14.4
Encourage private sector participation: Foster competition and innovation in pension management	80	21.3
Accountability and transparency should be prioritized.	6	1.6
Total	375	100.0

Source; Field survey 2024

Data in table 4.9 indicates that (28.0%) of the respondents say it is important for the Nigerian Government to remit accrued rights on time to enable prompt payment of pensions, while (20.3%) suggests the need for greater transparency in the system. further (21.3%) of the respondents proposes the private sector participation and innovation in pension management, (14.4%) of the respondents highlighted that Pencom should develop annuity markets, by providing sustainable income streams for retirees. (14.4%) of the sampled population emphasize on the need to expand the coverage by increasing pension enrollment, especially for informal sector workers. The last segment of the respondents (1.6%) says accountability and transparency should be prioritized by the pension management.

The participants interviewed in the course of FGD has this to say: Pencom should expand the coverage: Increase pension enrollment, especially for informal sector workers. Enhance contributor education: Educate pension contributors on their rights and benefits. Develop a robust pension database: Accurately track pension contributors and beneficiaries. Introduce pension literacy programs: Educate Nigerians on retirement planning. Strengthen pension fund administration: Improve record-keeping and customer service.

Hypotheses

X^2 = calculated value 298.966

Alpha level 0.05

DF= degree of freedom; 4

X^2= critical value 9.488

The findings in table 4.2.10 indicated that Pension scheme has positive impacts on Nigeria economy ($\chi2$= 298.966 P-value=0.05). The null hypothesis which states; that Pension scheme has no positive impacts on Nigeria economy was rejected, hence concluded that Pension governance guarantee the welfare of retirees in Nigeria.

X^2 = calculated value 284.739

Alpha level 0.05

DF= degree of freedom; 5

X^2= critical value 11.070

The findings in table 4.2.12 indicated that Challenges facing the administration of pension in Nigeria has no negative effects on retirees ($\chi2$= 284.739 P-value=0.05). The null hypothesis which states; Challenges facing the administration of pension in Nigeria has a negative effect on retirees was rejected, hence concluded that the challenges facing pension administration in Nigeria has no significant effects on the welfares of retirees

Presentation of Results

This study set out with the objective of assessing the pension governance in Nigeria from 2014 to 2024. This section therefore, discusses the findings obtained from the data collected from the field. The study established that pension governance have greatly improved the lives of retirees in Nigeria, thus, majority of the sampled population 82.1% attested that the welfare of pensioners in the country have witness a positive turn around since the inception of the (CPS) Contributory Pension Scheme.

Finding from the study reveals that the pension scheme has a positive impact on the retirees, substantial segment of the individuals benefiting from the scheme acclaimed that the pension operators under the Pencom governance are doing their best in ensuring that retirees are paid their benefit and entitlement. Again, about

80.3% of the sampled population accepted that the CPS has boost the welfare of pensioners in Nigeria, this report implies that the pension administration in the country is doing its best in recent time. This finding is somewhat in line with the report of Stephen (2014) which revealed that pension reform scheme led to the investment of significant proportion of the Chile's portfolio in fixed income securities; and went further to state that pension has made provision for social security for the retirees at old age in Nigeria and Chile.

Findings from the study further reveals that the Contributory Pension Scheme have inversely increased the (GDP) Gross Domestic Product of the country. The study found that the accrued pension savings boost the economy of the country and create employment for those employed in the sector.

The study, points out delays in payment of pension gratuity and corruption as one of the top challenges confronting the pension administration in Nigeria, Majority of the sampled population 51.5% reported that pension governance (regardless of the many good reforms) still grapple with the above challenges. Again, findings reveal that the (DBS) Defined Benefit Scheme was soiled with mismanagement and embezzlement, the issues of delay in payment of benefit to retirees, incidence of ghost pensioners, misappropriation of pension fund and the amount paid to retiree was too meagre.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This thesis of the study deals with the summary, conclusion and recommendations of the study. It presents the summary of the entire work, make conclusions based on the findings as well as recommendations that will improve Pension Governance in Nigeria.

Summary of major findings

The study examines Pension Governance in Nigeria from 2014-2024 and reveals that 82.1% of those sampled acknowledged that the Contributory Pension scheme have positively improved the welfare of retirees in Nigeria. The study further established that 75.8% believed that (CPS) is more beneficial to pensioners than the (DBS) finding further reveals that 41.1% of the sampled population acclaimed that the Contributory Pension Scheme increased the Gross Domestic Product of the country and boost the capital and financial market. However, insignificant number of respondents alleged that the scheme has negative impact as it leads to hardship amongst civil servant that subscribe for the pension scheme and 6.7% of the respondents declares that the scheme make funds available for growth and development. Therefore, the study established that Contributory Pension Scheme has a positive impact on retirees in Nigeria.

Furthermore, the study established that the Contributory Pension Scheme has positive influence on the welfare of retirees. This is because majority of the sampled population 80.3% strongly supported the notion. Confirming that the contributory pension order has impacted the lives of retirees, as result of this, many pensioners are living better lives with the new pension order.

Conclusion

Based on research findings. The study conclude that the pension governance in Nigeria have positively impacted the welfare of retirees. Therefore the shift from (DBS) Defined Benefit Scheme to (CPS) Contributory Pension Scheme brought lots of sanity in the pension management and administration, in Nigeria it is also safe to conclude that the new pension order provides individuals who subscribe to the scheme adequate knowledge on their savings by making available their financial information, thereby enhancing transparency

Again, the study concludes that Contributory Pension Scheme has added to increase in the country's Gross Domestic Product (GDP) of the country. As accrued pension savings boost the economy of the country and create employment for those employed in the sector. The pension payments provide the retirees income to continue to invest in the development of the country's economy.

The study further conclude that the pension administration in Nigeria is still facing some challenges, such as delays in payment of pension and gratuity Corruption was identified as been endemic among some of the pension custodians. The Defined Benefit scheme was further accused of mass mismanagement and embezzlement, the issues of delay in payment of benefit to retirees, incidence of ghost pensioners, misappropriation of pension fund and the amount paid to retiree was too meagre.

Recommendations

Based on the findings from this study, the following recommendations were made;

i. There is need for pension administration to place the welfare of retirees above their personal needs, by building a formidable pension system, that is transparent and corruption free were everyone in the scheme can leverage on. Thus, government should setup a body that will check corruption in the Pencom board.
ii. There is need for federal Government to channel the pension fund into the mainstream economy, this will boost the GDP and increase the income generation in the country. And also check misappropriation of pension fund by making sure there is integrity and transparency in Pencom operation.
iii. Government should make economic policies that strengthen the value of Naira so as to sustain the value of Pension Savings. The government should increase the country's foreign reserve this will strengthen Naira and encourage savings.
iv. Government should endeavor to remit accrued rights on time to enable prompt payment of pensions. The government should endeavour to make the pension fund benefits accessible to Pencom board and pensioner.
v. There is need for Pencom management to involve the employer and employees who are the contributors, as decision making members in the pension commission. The relationship between pensioner and Pencom should be strengthen so that it can foster understanding between the parties.

Contribution to Knowledge

This study have contributed to the knowledge in the aspect of Pension Governance between 2014 to 2024 It is important to note that the Contributory Pension Scheme is gradually replacing the (DBS) Defined Benefit Scheme. This study provides insight into the pension operation in Nigeria, it give a holistic evaluation of the pension operation from 2014 till date, it further provides a comprehensive understanding of Pension administration in Nigeria, however the study include the views and opinion of retirees and also points out the major lacunas that seem to undermine Pension operation and system in the country.

Suggestion for further research

This study covered Pension governance in Nigeria Thus, further studies on Pension governance can be expand to focus more on Micro pension and pension governance in the entire West African countries.

Limitation of the Study

The researcher encountered numerous problems at course of the study. Research of this magnitude requires time, logistics, resources and technicality because of the wide spectrum to be covered. Lots of finance was budgeted for this study, however, it was obvious that we still ran into financial crisis. This was due to the facts that research has become increasable difficult because of the attitude of respondents who most at time intentionally refused to give information and some of the respondents employed in the study demand for financial incentive before they agree to supply the researcher with important information. Some of the problem highlighted above can be overcome if the people change their attitude towards research in Nigeria. However, it is obvious that Nigeria lack good culture of information keeping this factors was very disturbing as some major information could not be fetched from the Pencom database. The financial constraints encountered by researchers in Nigeria can only be addressed if the Tertiary Education Trust Fund (TETFUND), e.t.c., offer to sponsor research in the higher institutions in Nigeria

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