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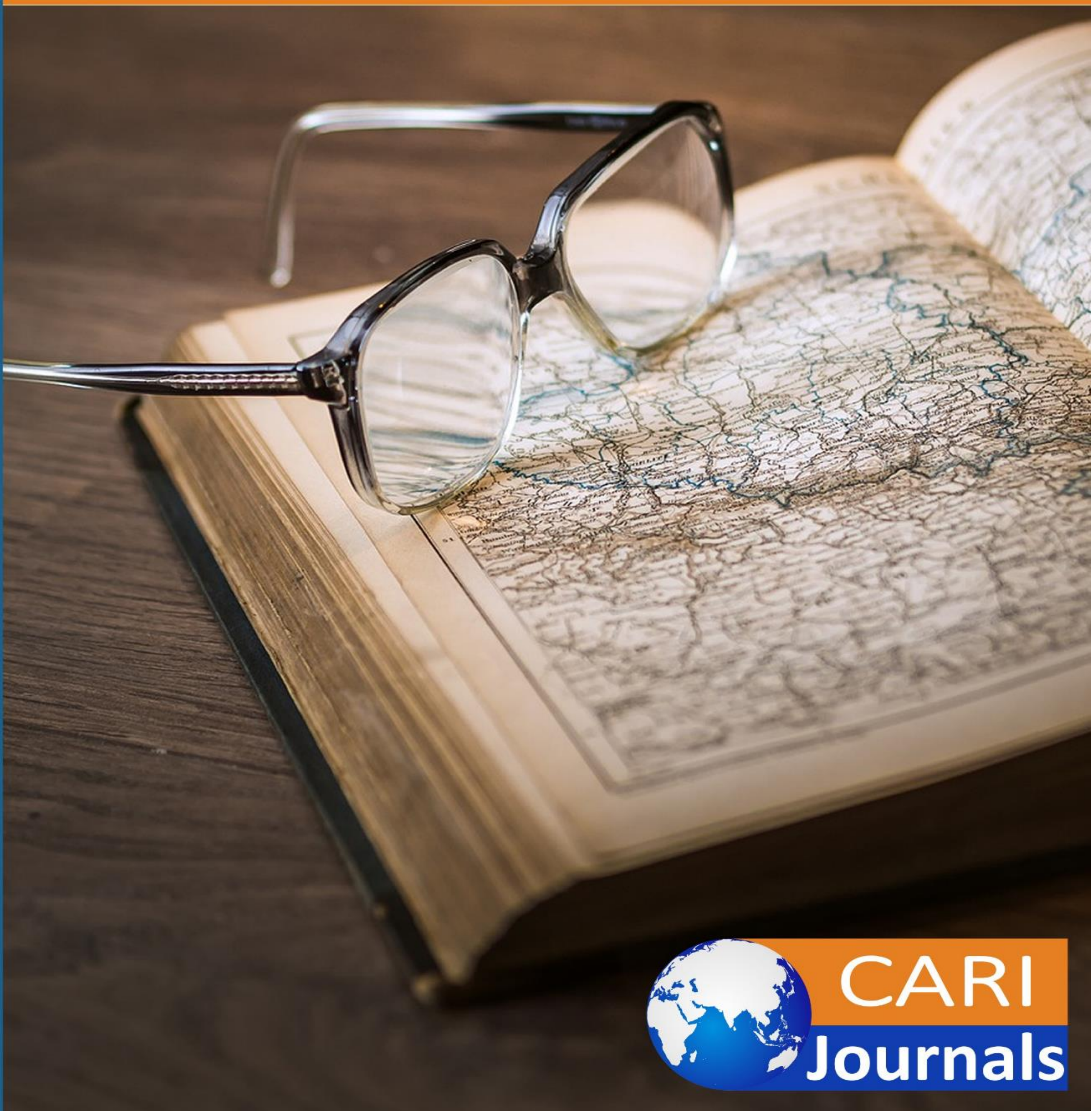

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The Impact of Pension Enhancement Methods on the Well Being of Retired Civil Servants in Osun State, Nigeria

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ABSTRACT

Purpose: The paper examined the impact of Pension Enhancement methods on the wellbeing of Retired Civil Servant s in Osun State.

Methodology: The Author also interacted with Twenty Retired Civil Servants who are presently enjoying the Pension Enhancement Packages. Furthermore, an in depth interview on some key holders in the pension industry was conducted. Majorly, quantitative method of research was adopted for this study.

Findings: The findings from the study revealed that there was a little increase in pension income of Retired Civil Servants. In addition, the increase in monthly stipend is not commensurate or in tandem with the present economic realities in Nigeria. It was also found that the problem of removal of fuel subsidy and high exchange rate of Nigeria currency against other currencies like American dollar and British pound sterling has eroded the little increase in the pensioner's stipend. The study concluded that the present Pension Enhancement Method is yet to have a meaningful and positive impact on the wellbeing of Retired Civil Servants.

Unique Contribution to Theory, Policy and Practice: The issue of Retired Civil Servants who are collecting their monthly income using the Life Annuity Method should be revisited by the National Pension Commission. As a result of the removal of fuel subsidy in Nigeria, the various State Governments were giving out certain sum of money to their workers in form of Palliative measures. The Retired Civil Servants should also be considered for palliative packages. The Retired Civil Servants should be allowed to assess 20% of their gains or profits that is in the Retirement Savings Account. The National Pension Commission should direct the Pension Fund Administrators to pay the lump sum to the Retirees at the commencement of every new enhancement adjustment.

Keywords: *Pension Enhancement, Well Being, Retired Civil Servants, Program Withdrawal System, Life Annuity Method, Contributory Pension Scheme*

INTRODUCTION

Pension enhancement can be described as a way of boosting the Monthly or Quarterly Income of the pensioners, so as to protect the Retirees from the negative Economy erosion of their Pensions, from the effects of inflation and other economic problems. Pension Enhancement can also be used to adjust the Income of Pensioners. In some cases, the enhancement takes care of the problem of low pensions.

It is on record that the Civil Servants in Nigeria, operated the Old Pension Scheme prior to the year 2004. The Old Pension Scheme is Non-Contributory Pension System. However, as from the Year 2004, we have a New Pension Scheme which is called Contributory Pension Scheme. The Pension Scheme is Contributory in the sense that the employer is expected to pay 7.5% into Retirement Savings Account, at the same time the Employee is also expected to pay 7.5% of his basic salary, rent and transport allowances into the Retirement Savings Account. Both payments have to be on a monthly basis. That was the requirements of the Year 2004 Pension acts. Howbeit, in the Year 2014 Pension Reform Acts, there was a slight change in the payment arrangement. Here the Employer is expected to contribute a minimum of 10%, while the Employee will contribute a minimum of 8% into the requirement Savings account.

The National Pension Commission, in its own wisdom, gave the Retirees, who retired under the New Contributory Pension Scheme, two options. That is, a retired Civil Servant can either opt for Program Withdrawal System or the Life Annuity Method. That means, a Pensioner can decide which of the two options he wants to use, so as to collect his Monthly or Quarterly Pension Income.

Program Withdrawal is a system in which a Pensioner can choose to access his monthly or periodic retirement benefits for a certain period of years. This choice is often determined by making use of actuarial tables. As an example, if a person retires at the age of 60 years, it can be determined that he will collect his retirement benefits for the next 15 years. The Program Withdrawal System, under the Contributory Pension scheme, is being anchored by the Pension Fund Administrators and supervised by the National Pension Commission.

In the case of Life Annuity Method, as the name implies, Life Annuity is a monthly or Quarterly payment, paid to a Retiree for life. The method is being handled by the Life Insurance Companies. The beneficiaries of Life Annuity are entitled to a fixed payment which can be monthly or periodically. Life Annuity can be regarded as a financial product, in which the Annuity Owner, or the Annuitant will enjoy a fixed amount of money until his death.

The available record from the National Pension Commission, revealed that the first Pension Enhancement was carried out in Year 2017. The beneficiaries are those civil servants that retired under the Program Withdrawal System between July 2007 and December 2014 (National Pension Commission, 2023). The National Pension Commission record also shows that the second Pension Enhancement took place in February, 2020. It also involved the Pensioners who are on Program Withdrawal System between July 2007 and December 2017 (National Pension Commission, 2023).

On December 2022, the National Pension Commission made an arrangement for the commencement of the third phase of Pension enhancement. The third phase took place on February, 2003. As for the previous two phases, the third phase is meant for those Civil Servants, who are currently operating under the Contributory Pension Scheme, and opted for Program Withdrawal System, as a means of collecting their monthly or quarterly Pension Income. There is another condition used for the payment of the Pension Enhancement by the Pension Commission. The condition is that the pensioner must have accumulated significant growth in their Retirement Savings Account. (National Pension Commission, 2023).

The Retired Civil Servants in Osun State found themselves in a situation, in which their Pension entitlements that was supposed to serve as a take home stipend, cannot take them to anywhere. There are many reasons for the inadequacy of the Pension entitlements given to the Retirees. That is one of the reasons why the Pension Commission decided to jack up the Pension allowances through the Pension Enhancement Scheme. Some of the reasons for the inadequacies are as follows:

(1) The New Civilian Government in Nigeria removed fuel subsidy which has created the problem of inflation in the economy.

(2) There is high rate of Nigeria Currency against other Foreign Currencies.

(3) The Pensioners entitlements is being negatively affected by the Global Economy meltdown.

(4) It is absolutely difficult, for some Retired Civil Servants to access the basic necessity of life, like food, clothing and shelter.

(5) There is the problem of low pensions that is affecting some Retirees.

STATEMENT OF THE PROBLEM.

Retirement can be described as the end of the road, for all the workers, who are working or collecting salaries at the end of every month. After retirement, one of the expectation of a retired civil servant is to access or collect his or her Pension Income every month. The Monthly pension or the Quarterly Pension as the case may be, will help the Pensioner to meet the basic necessities of life.

However, we found that the Pension allowances, that are supposed to serve as a take home stipend for retirees cannot take them to anywhere. In Nigeria there are many reasons for the inadequacy of the Pension allowances given to all the Pensioners. Some of these problems are as follows:

1. As a result of the effects of global economic meltdown, the funds at the disposal of the pensioners is being negatively affected.

2. The Nigerian currency called Naira is currently being exchanged for #1,500 to $1. In the 1980s, it used to be #1 to $1.

3. In order to sanitize the Petrol industry in Nigeria, the Federal Government recently removed fuel subsidy. The remover of the subsidy created the problem of inflation.

4. One of the challenges the pensioners faced is that their pension is very low and it is not enough to cater for their daily needs.

5. The monthly pension is expected to serve a relief for pensioners. Though, it is called monthly take home, it is discovered that the take home stipend cannot take the retirees to anywhere again.

6. Some of the retirees are finding it difficult to access the basic necessities of life like food, clothing and shelter. Retirees are now using formula to eat. Only few can afford three square meals a day. Some can only eat in the morning and in the night while few eat once in a day. This is due to the paucity of fund available to them.

OBJECTIVES OF THE STUDY.

The general objective is to study the Impact of Pension Enhancement Methods on the wellbeing of Retired Civil Servants in Osun State, Nigeria.

The specific objectives are as follows:

(a) To explain how the monthly pension allowances of retirees is being affected by Global Economic Meltdown.

(b) To give explanation on why the monthly stipend of pensioners cannot take them to anywhere.

(c) To determine the impact of inflation on the periodic income of the retired civil servants.

(d) To explain the problem of low pension and its impacts on the pensioners.

(e) To throw more light on the problem of high rate of exchange of Naira against other foreign currencies.

(f) To give explanation on how the recent removal of fuel subsidies in Nigeria has negatively affected the economy and reduces the standard of living of many retired civil servants.

SCOPE OF THE STUDY.

It will be recalled that the 2004 Pension Reform Acts in Nigeria fashioned out a New Pension Scheme, that is called, the Contributory Pension Scheme. In 2014, after experimenting the 2004

Pension reform Acts for 10 years, another Pension Reform Scheme called Pension Reforms Acts 2014 was put in place to further strengthen the earlier Contributory Pension Scheme.

The Study covers the Retired Civil Servants that are under the umbrella of Contributory Pension Scheme and those Pensioners who opted for Program Withdrawal System for their monthly or quarterly pension stipends. That means, those Retired Civil Servants who are also under the umbrella of Contributory Pension scheme but who opted for Life Annuity Methods are not captured by the study. In other words, their pensions entitlements were not enhanced by the National Pension Commission.

LITERATURE REVIEW.

CONCEPTUAL REVIEW:

The available record revealed that a pension plan was in place by the British Colonial Office before the Nigeria Independence. Initially. the pension plan was meant for the Colonial Administrators however it was later extended to the indigenous staff who are Nigerians. The first pension legislation in Nigeria was the 1951 Pension ordinance. The Pension Scheme, that is the 1951 pension Ordinance has retrospective efforts from 1st January, 1946.

Howbeit, when the laws of Nigeria were codified in 1958, the 1951 Acts became known as the Pension Acts Cap 147 of the Laws of Nigeria, 1958 (Bamgboje G. A, 2005).

Features of the 1951 Pension Ordinance.

(i) There is provision for the payment of pension and gratuity by the colonial administrators, who in this case are the employer, and the administrator rewards long and faithful service according to his discretion.

(ii) At that time the Pension given for Public Servants was regarded as an ex-gratia payment, and not a right or an entitlement. It should also be noted that the Pension could be withheld.

(iii) Section 6 of the 1951 Pension Act, stated that “no officer shall have an absolute right to compensation for past service or to pension or gratuity. (Bangboje G. A, 2005).

Udoji commission pension reform.

In an attempt to reveal the pension administration in Nigeria, a commission, called Udoji Commission was set up. It is on record that the Pension Scheme put in place by Udoji Commission was regarded as a milestone in the annals of the Nigeria Public Service. This is because the Udoji not only did a comprehensive review work on the Pension Scheme, but the recommendation made was regarded as monumental. That is, the recommendations cover all levels of government.

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Principles of Udoji commission

The Udoji commission based its Pension Reform on some these principles

(1) The payments of pension and gratuity should be regarded as a deferred payment.

(2) The employee should be accorded with the pension rights. That means, the pension benefits for which a public servant qualifies are by his right, and therefore cannot be withheld, tampered with or reduced in any form.

(3) Another principle is that the payments of pension and gratuity, shall be taken from the money set aside for pension by the government. This is the tenet of non-contributory Pay As You Go arrangement.

(4) The principle further emphasized that, all that workers that are within the umbrella of the Pension Acts, circulars, rules and directives, are eligible for the same retirement benefits.

(5) On a final note, the commission also stated that, anytime new salary scales are approved, there should be corresponding increase in retirement benefits. (Bamgboje G A, 2005).

PENSION ADMINISTRATIVE REFORMS

The available record shows that between 1st September, 1979 when the Pension Acts was enacted and December 2003, the Pension Office issued eighty-four administrative circulars that has a direct link with pension issues. Many of these circulars dealt with review of the qualifying length of service, pension rates, computation of benefits and other issues.

In the year 1989, a technical committee was mandated to review the Civil Service Pension Scheme. The Committee carried out an intensive research and arrived at the conclusion, that the Federal Government of Nigeria will not be able to sustain the non-contributory Pension Scheme or the Pay As You Go system, due to some problems like budgetary constraints and lack of funds.

As a result of this, the technical committee, therefore recommended the Contributory pension scheme, instead of the former non-contributory scheme. Other things recommended by the technical committee, are the computerization of service wide personnel records and the establishment of a Central Investment Agency.

The Federal Government of Nigeria, thereafter set up a Presidential Committee on harmonization of public and private sector pensions scheme. The Presidential Committee, studied the administrative reforms and the recommendations of the Technical Committee, and the committee members, fashioned out the following recommendations:

(i) There should be a contributory pension scheme which is designed to accumulate the interest and pay in a lump sum to the employee as his or her gratuity.

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(ii) There should also be the establishment of an identical schemes for the inner and public service to be managed, by two different bodies and

(iii) There is need for the creation of a separate scheme for the private sector, and that there should be an establishment of a regulatory authority to be known as Private Pension Commission. (Awosusi I E, 2005).

THE NEW CONTRIBUTORY PENSION SCHEME OF 2004.

The National Assembly of the Federal Republic of Nigeria, enacted a contributory pension scheme for employees in the public and private sectors, on 25th June, 2004. The Pension Acts stated "inter alia that there shall be established for any employment in the Federal Republic of Nigeria a contributory pension scheme for payment of retirement benefits of employees to whom the scheme applies under the Act". The New Pension Acts of year 2004 repealed all other previous pension acts, and established a uniform contributory pension scheme for both the public and the private sectors in Nigeria. (Adekunle A. A. 2010).

FEATURES OF THE PENSION ACTS OF 2004.

According to the National Pension Commission, some of the features of the Pension Acts of 2004 are as follows:

(a) It establishes a uniform scheme for both the Public and Private Sectors.

(b) it prescribes that the retirement benefits shall be funded by both the employer and the employees.

(c) It also privatizes the management of all pensions, in the Federal Republic of Nigeria.

(d) The pension fund assets are to be privately managed and invested by professional pension fund managers.

(e) The Acts also provides for strict regulations of the activities of the Pension Fund Administrators and Custodians of fund assets under uniform laws and regulations for both public and private sectors; and

(f) The establishment of National Pension Commission charged with the responsibility for matters relating to the regulation, supervision and effective administration of all pensions scheme. (National Pension Commission, 2005).

PENSION FUND ADMINISTRATORS.

The National Pension Commission defined a Pension Fund Administrator as an entity licensed by the Commission and charged with the responsibility of managing and investing the pension funds.

FUNCTIONS OF THE PENSION FUND ADMINISTRATORS.

The 2004 Pension Acts requires the Pension Fund Administrators to perform the following functions:

(1) Open retirement savings account for all employees with a Personal Identity Number (PIN) attached;

(2) Invest and manage pension funds and assets in accordance with the provisions of the Acts;

(3) Maintain books of accounts on all transactions relating to pension managed by it;

(4) Provide regular information on investment strategy, market returns and other performance indicators to the Commission and Employees or beneficiaries of the retirement savings account; and

(5) Cause to be paid retirement benefits to employees in accordance with the provision of the Act. (National Pension Commission, 2005).

PENSION FUNDS CUSTODIAN.

The National Pension Commission also defined the Pension Assets Custodian, as an entity licensed by the National Pension Commission to hold Pension Assets in safe custody.

FUNCTIONS OF THE PENSION FUND CUSTODIANS.

The 2004 Pension Acts, mandated the Custodians to carry out the following functions:

(a) To receive the total contributions remitted by the Employer under section 11 of the Acts, on behalf of the Pension Fund Administrators, within 24 hours of the receipts of the contribution from any Employer.

(b) Hold pension funds and assets in safe custody on trust for the Employees and beneficiaries of the retirement savings account.

(c) On behalf of the Pension Fund Administrators, settle transactions and undertake activities relating to the administration of pension and investment, including the collection of dividend and related activities.

(d) Undertake statistical analysis on the investment and returns on investments with respect to pension funds, in its custody and provide data and information to the Pension Fund Administrators and the Pension Commission, (National Pension Commission, 2005).

THE NATIONAL PENSION COMMISSION.

The Federal Government of Nigeria, in an attempt to make the execution of the New Contributory Pension Scheme workable established and composed the National Pension Commission.

According to the Pension Acts of 2004, the Commission shall be a body Corporate with perpetual succession and a common seal; and the commission "may sue and be sued in its corporate name". The main objective of the commission is to regulate, supervise and ensure the effective administration of pension matters in Nigeria.

FUNCTIONS OF THE NATIONAL PENSION COMMISSION.

The Commission shall perform the following functions:

(1) Regulate and supervise the Pension Scheme under the Acts;

(2) Issues guidelines for the investment of pension funds;

(3) Approve, license, regulate and supervise Pension Fund Administrators, Custodians and other institutions relating to pension matters, as the commission may from time to time determine;

(4) Established standards, rules and guidelines for the management of the pension funds under the Acts;

(5) The commission will also ensure the maintenance of a national data bank on all pension matters;

(6) Carry out public awareness and education on the establishment and management of the pension scheme; and

(7) Receive and investigate complaints of impropriety levelled against any Pension Fund Administrator, Custodian or Employer or any of their staff or agent. (National Pension Commission, 2005).

HIGHLIGHTS OF PENSION REFORMS ACTS 2014.

(i) Upward review of contribution rate to 18% of employee's monthly emolument. That is, the employer is expected to contribute minimum of 10% and the employee, a minimum of 8%.

(ii) There should be enhance coverage of the contributory pension scheme and the active participation of the informal sector.

(iii) The pension fund should be utilized for National Development.

(iv) The exemption of income on investment of pension funds from taxation is another feature of the highlights of the reform.

(v) The funding of the minimum pension guarantees and the establishment of Pension Protection Fund, were also fashioned out.

(vi) It is stated that, there should be periodic review of Pensions.

(vii) Apart from the Federal Government of Nigeria, the various states in the Federation and

Local Governments, were also encouraged to adopts the contributory Pension Scheme.

(viii) The personnel of the Military were exempted from the pension scheme

(ix) The retirement age and benefits of the University Professors were reviewed.

(x) There is also the restructuring of the system of administration of Pension under the defined benefits scheme.

(xi) The new Pension Acts, reduced the waiting period, to access benefits in the event of loss of job.

(xii) Furthermore, new offences were created and stiffer penalties was provided to serve as deterrence against mismanagement and diversion of Pension Funds.

(xiii) There is also the provision for prompt corrective actions on failing licensed operators, by moving pension assets from one pension fund administrator to another.

(xiv) The Employee has access to Retirement Savings Account to pay equity contribution on residential mortgages. (Pension Reforms Acts, 2014).

THEORETICAL FRAMEWORK.

The article is based on Economic and Life Cycle Theory.

Economic Theory:

According to Barr and Diamond (2010), it is possible to pay attention to economic principle, and with the interplay of the economic principle, one can formulate a good policy design, that will be based on pension reforms. The policy design so formulated should therefore focus on two important things.

Firstly, the design should give consideration to the whole pension system. That is the pension design should capture so many areas of the economic growth and development, the income distribution patterns are the likely effects on the gender issue. In short, the design should not be one-sided, that means it should cover the whole economy system.

Secondly, the various economic crises like the removal of fuel subsidy in Nigeria and the high exchange rates has served as a pointer and lessons that should lead to serious pension reforms. Furthermore, how risks should be shared is another economic crisis. In most cases, a larger percentage of risk rest on the working force. The reality is that, the risk should be shared, by all the parties concerned. Thus in an economy, both the employer and the employees should be able to share the risk. This will lessen the burden of the employee. Therefore, the numerous economic challenges mentioned above, should inform a good manager of human resources to put in place a robust pension reforms.

Life Cycle Theory:

Modigliani and Brumbergn (1954), posited that the Life Cycle Theory has to do with the consumption pattern of an individual. It also deals with the saving decisions of an individual. In explaining the theory, consumption is seen as a model that an individual embarked upon, in his or her life time of searching for wealth creation, the wealth creation can be financial or in term of real estate. The expectation is that the person will realize income or gains now and in the future from his or her pursue for wealth.

The life cycle theory, also stated that the pattern of an individual income does not necessarily affects the individual consumption pattern. The exception to this is when there is a good pension reform plan. Thus, the pattern of income will affect the pattern of consumption. Therefore, the pattern pension reform plan, has the capacity to influence positively the wealth of a Pensioner or Retiree, hence the envisage change in income and consumption pattern.

The theory further explained that the pension reform can influence the rate of savings of the pensioners and on the average, the wealth gained by that pensioner. In other words, if there is a good pension plan or pension system, it can lead to great financial benefits for the pensioner and this will help that retiree to invest more. The earnings from the investment or the returns on investment can further result in an appreciable redistribution of income.

In summary, a good pension plan, or pension reform can affect the life of a pensioner positively, and thus bring a change in the Life cycle.

GAP IDENTIFIED.

The Pension Reform Acts of 2004, which gave us the Contributory Pension Scheme, was designed in such a way that the pensioners were given the option of either to collect their monthly stipend with the program withdrawal system or by life annuity methods. As such the present pension enhancement system for retirees is only meant for the pensioners, who are operating their Contributory Pension Scheme under the system. In other words, those pensioners who opted for life annuity methods are not presently enjoying the Pension Enhancement Packages. That means their own monthly or periodic income is not enhanced.

METHODOLOGY

The Author relied on secondary sources of data for the study. Data were collected from the Books of National Pension Commission. Also the author interacted with twenty retired civil servants who are presently enjoying the pension enhancement packages. Furthermore, an in-depth interview was carried out on some key stakeholders, like staff of National Pension Commission, a pension fund administrator, staff of Osun State Bureau of Public Service Pension, a Banker and a Public Affairs Commentator.

The method used for the study is essentially a qualitative method of research.

In-depth interview with some key stakeholders:

The Author conducted an in-depth interview with some key stakeholders. The aim of the interview is to know their feelings and their opinion on the issue of pension enhancement methods on the wellbeing of retired civil servants in Osun State, Nigeria. Those who participated in the interview are, a staff of the National Pension Commission, a pension fund administrator, one staff of Osun State Bureau of Public Service Pension, a Banker and one Public Affairs Commentator.

(1) The staff of the National Pension Commission.

He is of the opinion that the National Pension Commission cannot give a huge amount of money to the Retired Civil Servants at once, because the money in their retirement savings account is expected to last for at least 15 years.

(2) A Pension Fund Administrator

According to him, one of the functions of Pension Fund Administrators is to invest and manage the retiree's funds. He said on a normal day, all the administrators will be happy if the Retired Civil Servants were given more money. This he said will boost the investment portfolio of the pensioners.

(3) One staff of the Osun State Bureau of Public Service Pension

In her own opinion, the Pension Enhancement adjustment is small. She went further that, as a civil servant that is presently working, the monthly stipend of retired civil servants, is not likely to be enough for her when she is out of the service.

(4) A Banker

She is of the opinion that the National Pension Commission should give more and better funds to the retired civil servants, so as to enhance their wellbeing. The banker observed that a substantial number of retirees do not have a stable savings account, which is likely to be as a result of inadequate availability of funds at their disposal.

(5) A Public Affairs Commentator

He is of the opinion that majority of those who retired under the contributory pension scheme, and who opted for Pension Enhancement Methods are experiencing low standard of living. According to him, the well being of those retired civil servants is nothing to write home about.

CONCLUDING REMARKS.

The purpose of the pension enhancement methods is to boost the pensioners' entitlements. That is after the enhancement, there should be an appreciable increase in the retirees monthly or quarterly pension income. The author interaction with twenty retired civil servants, which is done by one by one oral interview, shows that, the increase in the monthly entitlements of the retirees is very small. What do I mean? During the interactions, the findings shows that the increase in the retired civil servants monthly income ranges from N3,000 to N15,000.

Some retirees said that the increase is just N3,000, some said it is N7,000. Other variations are N8,000, N10,000 and N15,000. The feedback from the interactions cut across the two gender, that is, male and female retired civil servants.

In my own humble opinion, what the National Pension Commission did in the first, second and third phases of the pension enhancement is not an enhancement as such. This is because, presently in Nigeria we have the problem of inflation as a result of removal of fuel subsidy. The country is also facing the challenges of high exchange rate. If a pensioner collected a sum of N80,000 monthly, as pension income for a period of five years, and there is an enhancement system which increase the monthly stipend to just N87,000, I do not think it is a good enhancement adjustment.

As one of the retired civil servants, who retired under the Contributory Pension Scheme and also as the author of this article, I am of the opinion that the National Pension Commission should release 20% from the profits or gains of the pensioners that is in their retirement savings account, and then add another N20,000 to the monthly or quarterly pension income. As an example, every month, the National Pension Commission mandated the pension Fund Administration, to alert each Retired Civil Servants about the state of their account, with the Pension Fund Administrators. The information is usually in the format below.

Dear ADEMOLA, your retiree fund balance as at 30/Nov/2023 is N6,000,000 (Net Contribution is N10,000,000. Total Withdrawal is N7,000,000. Gain N3,000,000) We value your patronage.

If the retiree in the above example is earning N80,000 as a monthly pension benefits and he has 3,000,000 as profit in the retirement savings account. Then the 20% of N3,000,000 will be N600,000. The amount of N600,000 should be given to the Pensioner as a lump sum, and from the remaining N2,400,000 a sum of N20,000 should be added to the Monthly Pension Income. This will sum up to a sum of N100,000 every month. The Retiree is therefore advised to invest the lump sum, so that apart from the monthly stipend there will also be a return on his investment which is a sum of N600,000.

RECOMMENDATIONS

(1) The Retired Civil servants should be allowed access 20% of their gains or profits that is in the Retirement Savings Account. The National Pension Commission should direct the Pension Fund Administrators, to pay the lump sum earlier suggested to the retirees at the commencement of every new enhancement adjustment.

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(2) It is also suggested that, the lowest amount of money or pension income, which in this case, is an addition to the normal monthly benefits that the pensioner should receive, should not be less than N20,000

(3) One of the mandate of the pension fund administrators, is to invest the pension funds of the retirees, the pension fund administrators are being urged to help each pensioner to grow and accumulate the returns on their investments, so that the profit of each retiree will continue to increase every year.

(4) As a result of the removal of fuel subsidy in Nigeria, the various state government were giving out certain sum of money to their workers in form of palliative measures. The Retired Civil Servants should also be considered for palliative packages.

(5) The issue of Retired Civil servants who are collecting their monthly pension income using the life annuity methods should be revisited by the National Pension Commission. I am of the opinion that there should be a way of factoring in these set of Pensioners into the pension Enhancement System, so that the Pensioners can also enjoy the enhancement adjustment.

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