Abstract
Pension management in Nigeria seems to have assumed a serious concern to the citizenry especially retirees. Over the years, funding has been the major challenge that successive government had had to grapple with. This creates avoidable problems to retirees especially, government employees, whose pension entitlements are delayed or not paid at all before they die. This resulted in the introduction of Contributory pension scheme in 2004. Part of the reason for introduction of the scheme is to resolve the issues of paucity of funds, fraud and other governance issues that dogged the Defined Benefit Scheme (Old Pension Scheme). The new scheme, Contributory Pension Scheme, is a flee from this malaise and allows workers in the formal sector to contribute to the scheme, through their salaries, while the employer contributes a stipulated percentage by law into the scheme’s treasury called. The Retirement Saving Account RSA). The essence is to reduce the financial burden of funding retirement process which was solely borne by the employers but now shared by both employers and employees in the new arrangement (CPS). This paper examined the objectives of the scheme, its benefits and challenges. The paper, however, concluded that the pension scheme is a robust, safe and dependable packaged for retirees. The paper, therefore recommended that, states, in collaboration with employers in the private sector should emphasize on the scheme to ameliorate the suffering of workers and eradicate poverty at retirement.

Keywords: Contributory, Pension, Retirement, Scheme, Administrators.

Introduction
Retirement seems to be a serious challenge to the citizenry in Nigeria, especially retirees. The nagging challenge points to funding with the unbearable hardship on retirees, especially government employees, whose pension entitlements are delayed or not paid at all before they die. The delayed/non-payment of pension is attributed to resource constraints, inadequate and irregular release of funds even when budgetary provisions are made; political instability, inadequate delivery structure for payment and lack of database of pensioners have portrayed the government as uncaring and insensitive to workers plight (National Pension Commission, (PENCOM) 2014).

The emergence of the new scheme is perhaps due to the flaws associated with the old scheme (the Defined Benefit Scheme or Pay-As-You-Go). Parts of efforts to address the short-comings resulted in the promulgation of the Pension Reforms Act of 2004 (repealed) 2014, which was designed to ensure employers partnership with employees in contributions of pension benefits to a common fund for the retirement of the employees (Popoola, 2016). The pension scheme is created for the mutual benefits of both employer and employee.

The Contributory Pension Scheme is supposed to be a possible solution to the complexities posed by the old scheme and ease the problem of retired workers going through intense stress to get their retirement benefits (Popoola, 2016). Perhaps, it is the multiple and complicated stress aged retirees were going through that compelled the introduction of Non-governmental Micro pension Schemes (inclusive of non-government employees, private sector) where the employers and employees also contribute (Popoola, 2016).

Retirement supposed to be a time for rest, with full retirement benefits, after a meritorious service to the nation or an organization. Unfortunately, this is not really so in Nigeria, as one who gets closer to retirement, becomes anxious about the future as uncertainty beclouds the future. Efforts to get this right resulted in the pension schemes. The paper critically examined the objectives of the CPS, benefits, and challenges (Alababan, 2014).

Contributory Pension Scheme
Contributory in this sense means that parties involved, by the power of the policy, contribute a certain percentage of the gross payment for the employees (Salary) towards the retirement of the
employees at retirement age or on voluntary retirement. Since it is policy driven, it should be implemented full no matter what. According to Popoola (2016), every individual attached to any organization as a staff, should float and maintain a private Retirement Savings Account (RSA) under the CPS where the contributed amount deducted from source would be saved for the employee. Such funds are usually not accessible until retirement of the beneficiary.

However, existing workers that have 3 years or less to retire are not expected to be part of scheme as it would not benefit them in anyway. Also exempted are the categories of persons under section 291 of the 1999 Constitution of the Federal Republic of Nigeria as amended (Federal Republic of Nigeria, 1999); they are those on consolidated salary scale, for example Judges, Permanent Secretaries, University Professors, among others. Nonetheless, those who fall into this category can voluntarily join the scheme and their contribution is tagged voluntary contribution. The employer, by law, deducts 7.5% of the gross remuneration of employee from source and add to another 7.5% contributed by the employer in favour of the employee. Such monies are paid into the private RSA of the employee.

This was the position scheme as at 2004 but amended subsequently in 2014 after ten years of practice. The amendment in section 4(1a) and (c) provide for 10% and 8% of employer’s and employees’ contributions respectively. Section 4, subsection 2 of the amended policy of the scheme further provides that “the rates of contribution mentioned in subsection (1) of this section may, upon agreement between the two parties, revised upward and notify the commission of such revision”. Furthermore, in section 4, subsection (3) of the Act, stated in clear terms that

“All any employee who this law applies may, in addition to the total contributions being made by him and his employer, make voluntary contribution to RSA” (Pension Reform, 2014; Melton & Melton, 2022). On retirement the employee is expected to access the fund if such a person has attained the retirement age of 35 years or 50 years if on voluntary retirement.

As part of the policy reforms, the retiree will is not only expected not to withdraw the total savings in the RSA on retirement but to restricted to a certain percentage of the fund (lump sum) and leave the rest for gradual withdrawal on monthly basis by the PFA.

It is expected that not less than 50% of his monthly retirement or annuity by insurance company should be left in the account (Pension Benefit Guaranty Corporation, 2021). This is md possible because, the funds, even though is owned by the employer, is managed by the pension administrators for the good of the beneficiary.

The Commission ensures that the payments are made and beneficiaries are paid when due (Investopodia, 2021). As part of the control mechanism, strict payment authorization requirements are put in place to avoid reckless investment decisions that could jeopardize the entire scheme (Ayegba, James & Odoh 2013). The commission above all protects workers by issuing guidelines for licensing, approving, regulating and monitoring Pension Funds Administrators and Custodians. This is to ensure checks and balances. Essentially, it is the responsibility of PenCom to ensure that fraud is stamped out of the scheme as that could be detrimental to the entire system and place contributors in avoidable risk (Tobiloba, 2014).

The Commission ensures that contribution of workers are invested in stocks and other viable investment sources, with the aim of growing the funds overtime (Barr & Diamond, 2008). However, prompt payment of retirees, irrespective of the nature of investment is emphasized in the new scheme (Pension Act, 2014) as against the old scheme which failed to address such issues (Tobiloba, 2014).

Objectives of the Contributory Pension Scheme

The purpose of the PenCom seems scuttled as corruption is allegedly experienced in the scheme. People are seemingly not encouraged to participate in the scheme (though, they have no choice of opting out) as there are different agents who are business oriented and thus focused on the funds available rather than the purpose for setting up the scheme. The elderly is left to suffer what the scheme was set to address. Objectives of CPS as stated in Popoola (2012;17) were to:

i. Pensioners received their benefit promptly

ii. To assist individual to plan for retirement through savings

iii. Reduce poverty dependability at old age

iv. Regulate standards for administration and payment of pensioners
v. Reduce the growth and understanding of pension as liabilities among others.

**Benefits of the Contributory Pension Scheme**

Considering the lofty objectives of the scheme, retirees should stand a chance of gaining so much from it. This should have been clearer as the government has no much power over the scheme; rather, the individuals have the right to determine who should administer/manage their retirement benefits account. This has prompted PFAs to strive to enroll more workers and manage their pensions as they stand to gain from it. As parts of efforts to woo employees to choose PFAs as their agent, employees are given regular updates and information on their retirement saving account. The workers individual accounts are portable and as such, the workers are able to change employment and still maintain the same account. The worker is merely requested to avail the details of his/her account to the new employer.

- the scheme imposes fiscal discipline and is a solid foundation for national economic development.
- There is an expansion of convertible funds creation and accountability. The scheme introduces rules and regulations to guide the operations of thereof and there is a separation of investment, administration and custody of assets.
- Transparency is also ensured by the requirements for published rate of returns, regular statements of contributions and earnings and annual audited accounts. They are all gains to the retirees.

Other benefits as noted by Njuguna (2010) include:

- enhancing growth and development of national economy
- mobilizing savings for investment in the critical sector
- improvement in the Gross Domestic Product (GDP)
- prompt payment of benefits at retirement
- poverty reduction at retirement and so on (Njuguna, 2010).

- the pension industry, by policy, is expected to generate over #900 billion long term loanable fund annually (Balogun, 2006). The implication, in Umar and Emmanuel (2012) view is that these funds will be made available to finance infrastructural projects such as electricity, railway, tourism and so on; and the gains thereof added to the retirees gain which prolongs their lives.
- pension benefit plan provides retirement and hazard benefits, in case of disability and death to employees or relations respectively. While future retirement income is the primary benefit of pensions Monique (2014). Most plans also offer tax, insurance and workforce retention features.

**Challenges of Contributory Pension Scheme**

As strategic as the Scheme is, it is not without challenges. This underscores why stakeholders, especially the retirees complain about it. The challenges seem to outweigh the gains thereof. For instance, Oyerogba, Oluwagbemiga, Olugbenga, and Zacchaeus (2013) and the Nigerian Finder (nd) identified some challenges which include:

- Wide gap in retirement benefits under between the former and the later schemes.
- Observations reveal that there exists a wide gap to the disadvantage of pensioners in that; before the latest pension scheme, in that, retirees without the new scheme received as take-home 70% of their last salary; but with the latest scheme, retirees receive a dismal 14% of the last monthly salary creating a gap of 56%.
- What is the rationale for this when cost of living is detrimentally appreciating? This is retrogressive in nature, therefore unhealthy.

- **Irregular Remittance of Deductions to Contributors**
Deductions made from contributors are usually not regularly remitted. This is evident as statements of account retrieved by employees consistently indicate underpayment. Such practice poised serious threat and danger to the contributors. This is fraudulent in nature and it psychologically and emotional affects contributors.

- **Inability of Employees to Access their Savings on Retirement**
There are so many cases where, due to bureaucratic bottlenecks, Nigerian retirees find it difficult to access their retirement savings. After several attempts, couple with age and lack of funds, some will decline to fate and maybe die in the process. What a challenge.
Non-penalization of Offenders
Pension administrators especially, private employers sometimes breach the operational principles by failing to remit deducted money from their employees, which ordinarily should be punishable. However, in such cases, such breaches are left without penalty against the offender. This amount to gross misconduct and corruption.

Corruption is gradually becoming institutionalized in Nigeria. This hydra-headed economic demon has infiltrated into the pension scheme. This results in lack of transparency in the system to the disadvantage of the retirees.

- Un-Education and Non-Availability of Orientation Programmes for Nigeria Employers and Employees
Information is power as it prepares one to be well guided in operational principles of a programme. A scheme as big as pension should develop a mechanism for proper education and orientation of stakeholders. This is unhealthy as such programmes seem to be missing in the scheme.

Ahmad (2012), Olominu (2019) identified other challenges of CPS to include; the task of managing the informal sector and bringing them under contributory pension, accrued pensions savings of under the CPS, increment of pension benefits of workers by the federal government as salaries are increased or otherwise reviewed salaries of workers as stated in section 173 of the Nigerian constitution, non-payment of retirees due to paucity of funds, omission of retiree’s names on pay roll, under-payment of entitlements, delayed pension payment and arrears, multiple registration of retirees, error in computation accrued benefits of beneficiaries, poor enlightenment of beneficiaries on operational system of the scheme, inadequate communication and enlightenment of contributors on RSA holders/retirees (PFAs), low level of compliance with the requirements for group life insurance policy by employers.

Popoola (2016) noted that contributors in the CPS were already retiring with little or nothing in their savings account because their employers have not been remitting deductions made by administrators. Tufts and Fairbanks (2011) observed that participants in contributory pension plan typically have no control over their investments, investment plan and assets, including the selection of investment options and administrative providers. In the vein, Cannon and Ian (2012) stressed that contributory pension is portable and does not necessarily require any organization to pay an actuary to calculate the lump sum. This practice is common with employers who pay so much money on the worker when they were in service. This practice, no doubt constitutes serious breach to the retirees as they do not know in monetary terms what their past services actually are if an expert is not involved.

Limited public awareness of workers on the scheme, inadequate communication and enlightenment of the RSA) holders/retirees (PFAs), low level of compliance with the requirement for group life insurance policy by employers, payment of life insurance proceeds to Next-of -Kin (NOK) instead of payment into RSA, different interpretation of some provisions by retirees and challenges of authenticity/modification of recorded ages by retirees (Anazodo, Ezenwile, Chidolue, & Chidinma, 2014))

Conclusion
It needs to be emphasized that economic importance of pension funds in society cannot be overemphasized. This is because of the retirement risk management strategies which helps to transferred the burden from individuals to collective responsibilities thereby helping people, who ordinarily could not have saved anything achieved that with relative ease. Its influence on national economic development can also not be overlooked. From the forgoing, pension industry schemes, especially the Contributory Pension Scheme, is robust, safe and packaged to help retirees live well (that is purposeful life) after active service. It is structured in a way that relevant stake holders especially the retirees are adequately represented.

With the Pension Reform Act (PRA), the gains in the pension industry and the attendant relieve that goes with it cannot be overemphasized, as retirees are sure of lifelong sustainable pension, devoid of retirement woes. Recommendations Workers, whether in public or private sector, are expected to key into the scheme (Contributory Pension Scheme) to prevent hardship at retirement. This may be relatively difficult if appropriate steps are not taken by Pension Administrators to enforce every aspect of the scheme to enhance attainment of objectives of the scheme. This can be achieved through federal government agencies collaborating with the private sector in organizing public enlightenment for the masses for better understanding of CPS.
Contributory Pension Scheme: Panacea for Retirement Woes in Nigeria

Recommendations
1. Workers in public and private sectors should key into the new scheme (Contributory Pension Scheme) to prevent hardship at retirement.
2. Steps should be taken by Pension Administrators to enforce every aspect of the pension law for the objectives to be achieved.
3. Federal Government in collaboration with the Pension Fund Administrators should organize public enlightenment for the masses for better understanding of CPS.

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