

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Pension fund is a promising financial protection scheme put in place by employers to protect against unforeseen negative circumstances that may befall their present employees after retirement from service or their careers, the beauty of the struggle of laborer is in the eating of the salaries or wages, pension and gratuity appears to be the greatest manifestation of the victory of a labourer after a long service to his or her employer, It is paramount to note that even though the labourers earns wages or salary today his concern should also be about tomorrow when he is no longer fit to carry on any productive activity, It is however rational for the average Nigerian worker to look for a pensionable job for stability The labourer looks forward to a Favorable welfare package when he leaves employment due to old age. With the institutionalization of pensionable employment, the attractiveness of any employment contract is being judged in terms of whether it is pensionable or not, the rationale behind any individual entering the labour market however is therefore hinged upon the nature of the job ie pensionable or non-pensionable job and this is governed by a set of parameters that he needs to make some assumption about their future value. They include: Change in the remuneration of the jobs. The rate of inflation. The prevailing interest rate in the economy. The size, survival profitability, and future solvency of the employee. Profitability of major external destabilizing force etc.

In Nigeria, the statutory retirement age for civil servants is 60 years or 35 years of unbroken active service, whichever comes first. Judges of high courts and professors in tertiary institutions in the country are not exactly on the same policy. The retirement age for professors and judges is 70 years. Age is said to connote expertise and wealth of experience in these sectors, hence, the extended working years for these employees(Bashir, 2016), thus, a Pension Scheme was introduced into Nigeria by the Colonial Administration following the 1951 Pension Ordinance with retroactive effect from 1946. The Ordinance provided public servants with both pension and gratuity. The first pension scheme in Nigeria was set up for the employees of the Nigerian Breweries Limited in 1954, followed by United African Company in 1957(Garba, and Mamman, 2014), it is therefore important to note that the first Social Security Scheme in Nigeria came into being in 1961 by the Act of Parliament, which established the National Provident Fund (NPF); The NPF scheme was set up to address pension matters of private organizations in Nigeria(Nnanta, and Ugwu, 2011). In 1993, the National Social Insurance Trust Fund (NSITF) was set up by Decree No 73 of 1993 to replace the defunct National Provident Fund (Balogun, 2006).

However, in the past (pre-Contributory Pension Scheme (CPS) era), the pension system in the country was characterized by pay-as-you-go defined benefit in the public sector. The system was a structure of non- contributory pensions, which was hampered by much operational difficulty. These difficulties include uncoordinated and inadequate funding, non-availability of records management, irregularities and conflicting laws, fraud, and the presence of retirees that are not eligible for salaries and pensions, and the

inability to effectively fund. Hence, this led to a massive accumulation of debt estimated at over two trillion naira. These shortcomings adversely affected payments of retirement benefits to retirees in Nigeria (Nwanne, 2015).

It is against this backdrop that, this study seeks to access the impact of the contributory pension scheme on Federal Government workers: The Federal Polytechnic Offa in focus with a view of assessing the effectiveness and efficiency of the scheme in the payment of Pensions and gratuities to retired employees in Federal Polytechnic Offa.

1.2 STATEMENT OF THE PROBLEM

The Nigerian pension system is bedeviled by enormous problem ranging from the failure of the scheme to contribute basic social security for aged to the inadequacy of the administrators to effectively invest funds accumulated from pension scheme. The problem faced by the Nigerian pension commission (PENCOM) are enormous, ranging from Channeling of pension fund to inappropriate investment source. This Ahmadu (2010) noted that Nigerian pension scheme is largely unsustainable due to the poor returns of investment, the proceeds of the pension scheme are not properly managed, the apparent low level of employment offered by the pension scheme. The national pension commission (PENCOM) as the regulatory body was weak in enforcing regulatory compliance, and the non-transferability of pension benefits and poor record keeping.

The above challenges vis-a-vis has negative impact on the economy therefore calls for the study. Hence, this research work shall focus on the

impact of pension fund management on the Nigerian economy with a view of achieving better service delivery for all pensioners in the nation.

1.3 RESEARCH QUESTIONS

The main question raised in this study is: What are the impacts of the contributory pension scheme on Federal Government workers. Based on the above premise, it becomes pertinent to ask the following questions.

- i. Has the implementation of the contributory pension scheme improved timely remittance of retirement benefits of the federal Polytechnic Offa workers?
- ii. What are the unique challenges associated with the current contributory pension scheme of the federal Polytechnic Offa workers?
- iii. How effective is the new pension scheme in improving the living standard of the retirees in Federal Polytechnic Offa workers?

1.4 OBJECTIVES OF THE STUDY

The main Objective of this research is to access the impacts of the contributory pension scheme on Federal Government workers. In pursuance of this, therefore, this study aims to achieve the following specific objectives:

- i. Evaluate the implementation of contributory pension scheme towards improving timely remittance benefits of federal Polytechnic Offa workers.
- ii. Highlight the problems and challenges associated with the current contributory pension scheme of the federal Polytechnic Offa workers.

- iii. Examine how effective is the new pension scheme in improving the living standard of the retirees of the Federal Polytechnic Offa workers.

1.5 SIGNIFICANCE OF THE STUDY

The essence of any research study is its ability to enrich and add value to an existing body of knowledge and proffer solutions to perceived social problems Faruk, (2012). This research work will add value to the existing body of knowledge in the area of contributory pension scheme in Nigeria particularly the implementation aspect of the scheme as it constitutes a great concern towards the achievement of the overall objectives of the Contributory Pension Scheme in Nigeria.

1.6 SCOPE OF THE STUDY

This study focuses primarily on the impact of the contributory pension scheme on federal government workers, a study of the Federal Polytechnic Offa. The study dwells extensively on evaluation of the implementation of contributory pension scheme towards improving timely payment of retirement benefits In Offa Poly, the problems and challenges associated with the current contributory pension scheme in Nigeria.

1.7 DEFINITION OF TERMS

The idea of conceptual clarification stems from the necessity to understand some terms used in this study. Osumah and Ikelegbe (2009) cited in Ojiya, et al (2017) assert that the essence of conceptualization is to give operational

definitions to some important terms used in the discourse. In this regard, the following terms are defined:

Funding: Funding is the money provided especially by an organization or government for a particular purpose. In this study, funding means 18% of workers' monthly emoluments contributed to financing the scheme on a ratio of 10: 8 employers and employees respectively and Returns from investments of surplus pension funds, the regularity and the timing of the contributions.

Contributory Pension scheme: This is referred to as a scheme where employers and employees make contributions usually a fraction of emoluments or a specified periodically usually as incomes are received daily, weekly or monthly. Contributory pension scheme in this study means a pension scheme where the employers and employees jointly finance the scheme.

Implementation: This is the process of translating policy mandates into action, prescriptions into results and goals into reality Pressman, & Wildavsky, (1979). In this research, work implementation means putting into action the contributory pension scheme towards ensuring that every person who worked in the Public Service receives his benefits as and when due.

Retirement Benefits: this is a monthly payment made to someone who is retired from work. In this study, therefore, Retirement Benefits mean a retiree's terminal benefit of monthly pension and a wholesome payment of gratuity after retirement as well as the payment of death benefits to the deceased's survivors.

1.9 ORGANIZATION OF CHAPTERS

This study is organized into five chapters. Chapter one introduces the study and describes the background of the study. It highlights the research problem, the aims, and objectives of the study, the significant of the study, scope and operational definitions of terms.

Chapter Two dwells on a review of the literature and the theoretical framework of the study. It centres essentially on previous and existing work on the contributory pension scheme in Nigeria, its, implementation, impacts and its problems. It identifies the inherent gap in the literature and the likely contribution of the present study.

Here emphasis was made on the historical background Literature review. Others are the theoretical issues related to the subject under discussion; the review of related empirical studies and the theoretical framework for the study were also examined in this chapter.

Chapter Three entrenched on the Research Methodology that was adopted in this study; it also explained the Research Designed, Method of Data Collection and Research instrument was explained in this Chapter.

Chapter four focuses on the presentation and analysis of research data.

Chapter 5 is the summary, recommendation, and conclusion of the study. The area uncovered in this research was identified; suggestions, recommendations, and bibliography were also given for improved implementation of the contributory pension scheme in Nigeria.

CHAPTER TWO

LITERATURES REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter reviews various works of scholars on related to the study and theoretical framework.

2.2 Literature Review

2.2.1 The Concept of Retirement

Retirement is a process that separates an individual from a job role or as termination of a pattern of life and a transition (Omoresemi, 1987). Thus, the causes of the detachment or separation may be due to old age, poor health, social pressure or apathy. Hence, retirement is the point where people stop employment completely. A person may also semi-retire by reducing work hours. Many people chose to retire when they are eligible for private or public pension benefits, although some are forced to retire when physical conditions do not allow the person to work anymore i.e by illness or accident or as a result of legislations concerning their position. Menlon (1976) cited in Eme and Sam, 2011 posited that retirement signifies the detachment from primary activity in business, industry or active service as full time employee.

Historically, the idea of retirement is of recent origin, being introduced during the 19th and 20th centuries. Previously, low life expectancy and the absence of pension arrangements meant that most workers continued to work until death. In modern times, most developed countries have systems to provide pensions on retirement in old age, which may be sponsored by

employers and/or the state. In many developing and poorer societies, support for the old is still provided through the family. Even though the standard retirement age varies from country to country but it is generally between 55 and 70 years (Abdulazeez, 2015). Myriad of scholars' shared similar views in relation to the forms of retirement; and Nwajagu (2007) and Ojiya et' al (2017) identified three major forms of retirement namely: voluntary, compulsory, and mandatory retirement.

2.2.2 Voluntary or Self Retirement: This occurs when the individual decides to quit active service for personal reasons irrespective of age, experience, length of service or retirement policies. This type of retirement depends more on the employee rather than the employer. This is however is in line with what Ojiya et' al (2017) in the preceding paragraph called workers leaving their appointment at their own initiative. Furthermore, Nwajagu (2007), contended that in voluntary retirement the retirees forfeits all gratuity and pension if his/she has not worked for a minimum of ten years, but if he has put in fifteen years in the service, he becomes entitled to payment of gratuity and pension. However, in Nigeria, today this has been amended. The PRA 2004 has made provision for gratuity from the first one year in the service while pension from five years in the service.

2.2.3 Compulsory or Forced Retirement: This is an externally imposed by authority in which the individual is forced or compelled to retire against the individual's expectation. Thus, it is usually viewed negatively unplanned and

reasons might include inefficiency, old age, ill-health, indiscipline and need for reduction of the workforce Johnson, (1999) cited in Bashir, (2016).

2.2.4 Mandatory Retirement: This is in other words called statutory retirement. It is the normal (or expected form) in the sense, this means the person involved has reached the statutory age of retirement as specified already in the condition of service of the establishment. For instance in Nigeria; the Civil Service rule 2009 states:

- The compulsory retirement age for all grades in the service shall be by 60 years or 35 years of pensionable service, whichever is earlier.
- No officer shall be allowed to remain in service after attaining the retirement age of 60 years or 35 years of pensionable service whichever is earlier.
- The provision of (i) and (ii) of this rule is without prejudice to prevailing requirements for judicial officers and academic staff of universities and other tertiary institutions who retire at 70 and 65 years respectively (Public Service Rule, 2009, Fapohunda, 2013).

2.2.5 The Concept of the Nigeria Civil Service

Literarily, Civil Service is defines as a body of government officials who are employed in civil occupations that are neither political nor judicial. Simply put, the Civil Service consists of people employed by the state to run the public service of a country. Bezzina (1994) cited in Anazodo, et al (2012)opined that

Civil Service refers to employees selected and promoted on the basis of a merit and seniority system, which may include examination. In this regard, the civil service is an institution saddled with the responsibility of designing, formulating and implementing public policy, and discharge government functions and development programmes in an effective and efficient way. Abba and Anazodo (2009), argue that civil service in Nigeria comprises workers in the various ministries or departments apart from those who hold political appointments. Hence, the Civil Service is the administrative bureaucracy which occupies an essential position in the political system of the nations. Throughout the world, the contributions of Civil Service in promoting sustainable and equitable economic growth are receiving increasing attention. Historically, since the independent era, the structure and composition of the Nigerian civil service has changed and witnessed significant transformation. Immediately after independence, the Civil Service comprises the Federal civil service and the other civil services in three regions (West, east and North) and later between the Federal civil service and that of the twelve states of the federation.

Currently, the Nigerian civil service comprises the federal civil service, the thirty-six autonomous state civil services, the unified local government service, and several federal and state government agencies, including parastatals and corporations. The federal and state civil services were organized around government departments, or ministries, and extra ministerial departments headed by ministers (federal) and commissioners (state), who were appointed by the president and governors, respectively. These political heads were responsible for policy matters (Anazodo, 2012). The

administrative heads of the ministry were the permanent secretaries who were former called Director-General. The chief director general was the secretary to the government and until the Second Republic also doubled as head of the civil service. As chief adviser to the government, the head of the civil service conducted liaison between the government and the civil service.

Generally, the structure of Nigerian Civil Service is patterned on the British style. The service is divided into the following classes: administrative class, executive class, professional class, clerical class and the messengerial class who function as a catalyst for crystallizing the shared goals of the society and as a machinery of public policy formulation and implementation.

2.3 The Conceptual Meaning of Pensions

Literarily, the term pension was viewed as a series of periodic money payments made to a person who retires from employment because of age, disability, or the completion of an agreed span of service. The payments generally continue for the remainder of the natural life of the recipient, and sometimes to a widow or other survivor. According to Ozor, cited in Abdulazeez, (2015) he posited that pension consisted of lump sum payment paid to an employee upon his disengagement from active service. Furthermore, he opted that payment are usually in monthly installments. He

further stated that pension plans may be contributory or non contributory; fixed or variable benefits; groups or individual; insured or trustee; private or public, and single or multi-employer. The same author identified the types of pensions available in Nigeria as:

1. **Retiring Pension:** This type of pension is usually granted to a worker who is permitted to retire after completing a fixed period of qualifying service usually practiced in Nigeria between 30-35 years.
2. **Compensatory pension:** This type of pension is granted to a worker whose permanent post is abolished and government is unable to provide him with suitable alternative employment.
3. **Superannuating pension:** This type is given to worker who retires at the prescribed age limit of 60-65.
4. **Compassionate allowance:** This occurs when pension is not admissible or allowed on account of a public servants removal from services for misconduct, insolvency or incompetence or inefficiency.

2.4 Theoretical Framework

2.4.1 Theory of contribution density

The theory of contributory density was propounded by Salvador Valdés-Prieto (2008); he posited that for hundreds of millions of middle-class people around the world, consumption in old age depends on the contributory

systems promoted by the State, through either mandates or fiscal incentives. Thus, the adequacy of contributory pensions for the middle classes depends on the density of contribution as posited (Valdés-Prieto, 2006).

Invariably, in a situation of uneven density, many middle-income people fall into both absolute and relative poverty in old age, due to inadequate contributory pensions relative to former earnings. This situation may undercut the public's support for contributory pensions. That was why Salvador Valdés-Prieto (2008), contented that the pay-as-you-go (i.e old pension non contributory scheme) finance to grant large supplements to middle class people with inadequate pensions, to be paid by future generations, including the future poor. It is also inefficient, since introduction of pay-as- you-go finance reduces national saving (Diamond, 1965), reduces the efficiency of the labor market in the future (Abel et al, 1989), and induces a decline in fertility (Cigno and Werding, 2007, Godoy and Valdés-Prieto, 1997). Thus, uneven density of contribution reduces the political stability of funded pensions.

2.4.2 Justifications of the Theory

Based on the above assertion and explanation on the model and theory; contribution density is defined as the share of (the present value of) earnings in the active phase of life on which the individual contributes to some contributory pension system for old-age. For any given rate of turnover between covered jobs and other uses of time, average density falls when self-employment and informal employment expands and when activity

outside the labor force (mainly home production) rises. Density may also change for a different reason: underreporting of earnings, keeping the headcount constant.

The theory also disclosed that subsidies to contributions are delivered immediately; and more effective than noncontributory subsidies, which are delivered in old age. Of course, contribution subsidies have fiscal costs and thus raise tax distortions. In addition, such subsidies create incentives to raise density to socially excessive levels among those that visualize old age correctly (no neglect of old age).

CHAPTER THREE

RESEARCH METHODOLOGY

This chapter focuses on methodology to be used to this research work successfully. It explains the research design. It also gives details about the population and sample used for the research.

3.2 Sample and Population of the Study

Samples are normally used in studies that involve large populations. The reasons for using sample include; the desire to adequately manipulate the enormous population in order to avoid errors due to the calculation of large numbers and the desire to reduce the cost of producing the questionnaires that will cover the entire population. Odo (1992:47) defines a research sample “as a process of selecting a proportion of the population considered adequate to represent all existing characteristics within the target population and to any other population having similar characteristics with the target population”. The term “population” has been defined by Odo (1992:40) as “the entire number of people, objects events and things that all have one or more characteristics of interest to a study”. The population of this study is drawn from Edu local government. However, the information given by Personnel of Administrative Department of the Edu shows that there are about 756 staff under the local government council.

3.3 Sources of Data Collection

In the process of carrying out this study, the data used were collected from two major sources. These sources include the primary and secondary sources.

3.3.1. Primary Sources of Data

The primary sources of data used for the analysis of the study are those collected from the respondents through the designed questionnaire and interview. The questionnaires were administered by the researcher. I

conducted individual oral interview on some top management employees in Edu local government and people of the communities as well staff of Kwara State Internal Revenue Service. This was done to elicit further information from them concerning the issue under study.

3.3.2 Secondary Sources of Data

The secondary data for this study were collected from text books both published and unpublished that were found to be relevant for this study. These already written works include; textbooks, journals, magazines, newspaper, and some relevant documents that are relevant to this research work.

3.4. Method of Data Analysis

The data gathered analyzed using the Statistical Package for Social Sciences (SPSS) is used for easy analysis. This primary data analyzed through simple percentage. The questionnaire is divided into two sections. The first section captures bio-data information of the respondents while the second section captures information based on the concept of this research, using a 5-point Likert scale with “1= Strongly Disagree” and 5=Strongly Agree.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation and Analysis

This chapter dwells succinctly on the presentation and analysis of the data obtained in the course of this study. Data were collated and analyzed using the Statistical Package for Social Sciences (SPSS version 21.0) software package. Statistical analyses include frequency distribution tables, Chi-Square and simple percentages. A total number of 592 questionnaires were distributed in The Federal Polytechnic Offa.

4.2 Demographic Profiles of Respondents

A total number of 592 questionnaires were self-administered to respondents in the federal Polytechnic Offa and 540 (76.25%) questionnaires were duly recovered for analysis. Respondents of this study encompass retired workers, Teaching Staff administrative officers and in-service employee of the federal polytechnic Offa.

4.3 Analysis and Findings

This section focuses on the analysis of collated data from the respondents within the Federal Polytechnic Offa. Below are the stated objectives of the study:

- Evaluate the implementation of contributory pension scheme towards improving timely remittance benefits of federal polytechnic Offa.
- Highlight the problems and challenges associated with the current contributory pension scheme of the federal polytechnic workers
- Examine how effective is the new pension scheme in improving the living standard of the retirees of the federal polytechnic workers.

4.4. Section A: Socio-demographic characteristics of respondents

Table: 4.4.1 Sex Distribution of Respondents

	Frequency	Percent	Cumulative Percent
Male	312	57.7	
Female	228	40	
Valid Non Response	52	2.3	100
Total	592	100.0	

*Source: Field
Reports, 2024*

The table presented above shows the sex distribution of respondents; out of 592 questionnaires collated from the field work 312(57.7%) were male, 228(40%) were female while 52(2.3%) of respondent's non-response.

Table 4.4.2 Age Distribution of Respondents

Age	Frequenc y	Percen t	Cumulative Percent
18-38	104	19.0	100.0
39-49	324	60.0	
50 and Above	112	21.0	
Total	540	100.0	

Source: Field Reports, 2024

The table presented above shows the age distribution of respondents. The table reveals that the number of respondents between the age 18 and 38 stands at 104(19%). However, 324 out of 540 respondents fall between the age of 39 and 49. This represents 60% of the respondents while 56 i.e. 21% of the respondents were 50 years and above. It was cleared from the table above that more of the respondents were above 39 years of age. This afford the researcher gather very useful information since individuals between this age are experienced and all things being equal, are expected to have a substantial knowledge about the field of study.

Table 4.4.3 Distribution of Respondents by Marital Status

Marital status	Frequency	Percent (%)	Cumulative percent
Single	160	30	100
Married	308	57	
Divorced	-	0.0	
Non-response	72	13	
Total	540	100.0	

Source: Field Reports, 2024.

The table presented above shows the marital status of respondents; out of 540 respondents, 160(30%) were single, 308(57%) were married, none of the respondent were divorced while 72(13%) of the respondents give no response on their marital status. Thus, the above statistical data depicted the level of maturity and responsiveness of the respondents.

Table 4.4.4 Employment Statue of Respondents

Occupation	Frequency	Percent	Cumulative Percent
In-service	437	81.4	100
Retired	103	18.6	
Total	540	100.0	

Source: Field Reports, 2024

According to the table above, the percentage of respondents who were currently in service were 437(81.4%); while 103(18.6%) were retired members of the federal Polytechnic Offa.

Table 4.4.5 Educational Distribution of Respondents

Academic Qualification		Frequenc y	Percen t	Cumulative Percent
Valid	Primary Education	68	12.6	100.00
	Secondary Education	160	29.6	
	Tertiary Education	312	57.7	
	Total	540	100.0	

Source: Field Reports, 2024

Table 4.5 above indicates that 312(57.7) are educated up to tertiary level. This shows a high level of literacy among the respondents in each of the categories. The numbers of respondents with maximum secondary school education are 160 indicating 29.6% of the total respondents; while only 68(12.6%) respondents have primary School education.

Section B: Analysis of Research Objectives

Objective 1: Evaluate the implementation of contributory pension scheme towards improving timely remittance benefits of federal Polytechnic workers.

Section B: Evaluate the implementation of contributory pension scheme towards improving timely remittance benefits of federal Polytechnic workers

Data obtained under section B of the questionnaire (Q7, Q8, Q9, Q10, Q11, & 12) were subjected to statistical analysis as shown in table 4.5.1 in order to answer research objective one.

Table 4.5.1 Distribution of Respondents on the implementation of contributory pension scheme towards improving timely remittance benefits of federal Polytechnic Workers.

Questions	Strongly disagree		Disagree		Undecided		Agree		Strongly Agree		
	F	%	F	%	F	%	F	%	F	%	Total
Workers in Federal Poly Offa are aware and support the operation of the contributory pension scheme	16	3	56	10.3	32	5.9	180	33.3	256	47.4	540
The contributory Pension scheme is being properly implemented in Nigeria to bring succor to civil servants	256	47.4	212	39.3	32	5.9	16	2.9	24	4.4	540
The Federal Polytechnic Offa remit their mandatory contributions to pension fund	208	38.7	200	37.2	64	12.2	32	5.6	36	6.3	540

administrators' (PFA) designated bank accounts within 7 days after the payment of workers' salaries for the payment of retirement benefits.											
Pensioners are paid their monthly pensions on or before 30th of every month in the new Contributory Pension Scheme	12	1.9	24	4.6	16	2.9	244	45.6	244	45	540
The implementation of the Contributory pension scheme allows timely payment of Death Benefits in Federal Polytechnic Offa	100	18.5	64	11.8	44	8.2	156	28.8	176	32.6	540

Source: Field Reports, 2024

Data in Table 4.5.1 reveals 16(3%) respondents strongly disagree that, Workers in the Federal Polytechnic Offa are aware and support the introduction of pension reform policy in Federal Polytechnic Offa, 56(10.3%) disagree while 32(5.9%) were undecided. 180(33.3%) agree that Workers in the Federal Polytechnic Offa are aware and support the introduction of pension reform policy. while 256(47.4%) strongly agree.

Furthermore, 256(47.4%) strongly disagree that The Federal Polytechnic remit their mandatory contributions to pension fund administrators' (PFA) designated bank accounts within 7 days after the payment of workers' salaries for the payment of retirement benefits, 212(39.3%) disagree while 32(5.9%) were undecided. Also, 16(2.9%) agreed that The Federal Polytechnic Off remit

their mandatory contributions to pension fund administrators' (PFA) designated bank accounts within 7 days after the payment of workers' salaries for the payment of retirement benefits.while 24(4.4%) strongly agree.

In addition, table 4.5.1reveals, that 208(38.7%) strongly disagree that the new Pension Reform Act was properly implemented in Nigeria to bring succour to civil servants, as 200(37.2%) disagree while 64(12.2%) were undecided. On the other hands 32(5.6%) agree that the new Pension Reform Act was properly implemented in Nigeria to bring succour to civil servants, as 36(6.3%) strongly agree.

Consequently, table 4.5.1reveals that 12(1.9%) strongly disagree that Pensioners are paid their monthly pensions on or before 30th of every month in the new Contributory Pension Scheme, 24(4.6%) disagree while 16(2.9%) were undecided. 244(45.6%) agree that, Pensioners are paid their monthly pensions on or before 30th of every month in the new Contributory Pension Scheme, as 244(45%) strongly agree.

Lastly, table 4.5.1reveals that 100(18.5%) strongly disagree the implementation of the Contributory pension scheme allows timely payment of Death Benefits and gratuities in The Federal Polytechnic Offa, 64(11.8%) disagree while 44(8.2%) were undecided. 156(28.8%) agree that, the implementation of the Contributory pension scheme allows timely payment of Death Benefits and gratuities in The Federal Polytechnic Offa, as 176(32.6%) strongly agree.

Objective 2: Highlight the problems and challenges associated with the current contributory pension scheme of the federal Polytechnic workers.

Section C: Highlight the problems and challenges associated with the current contributory pension scheme of the federal Polytechnic workers.

Data obtained under section C of the questionnaire (Q13, 14, 15, 16 & 17) were subjected to statistical analysis as shown in table in order to answer research objective two.

Distribution of Respondents on the problems and challenges associated with the current contributory pension scheme of the Federal Polytechnic Offa.

Questions	Strongly disagree		Disagree		Undecided		Agree		Strongly Agree		
	F	%	F	%	F	%	F	%	F	%	Total
The new pension scheme has eradicate the problems of pension administration in Nigeria and take care of social needs of pensioners.	76	14.1	112	20.7	16	3	156	28.8	180	33.3	540
The delay in the payment of pension is because of mismanagement of funds.	68	12.6	116	21.5	24	4.4	136	25.2	196	36.3	540

The new pension scheme exhibits some traces of corruption, mismanagement and delay in disbursement of pension benefit in Nigeria.	136	25.2	172	31.8	28	5.2	76	14.1	128	23.7	540
Poor funding of the Contributory Pension Scheme constitutes major challenge to the scheme.	104	19.2	92	17	16	3	136	25.2	192	35.5	540
Lack of compliance by employers in remitting their contributions to the pension trust fund constituted a major problem of the contributory pension scheme.	28	5.2	8	1.5	68	16.6	132	22.4	304	54.3	540

Source: Field Reports, 2021

Data in table 4.5.2 reveals 76(14.1%) respondents strongly disagree that the new pension scheme will eradicate the problems of pension administration in Nigeria and take care of social needs of pensioners., 112(20.7%) disagree while 16(3%) were undecided. 156(28.8%) agree that dialogue and amnesty is the best approach to end Boko Haram in Nigeria while 180(33.3%) strongly agree.

Furthermore, 68(12.6%) strongly disagree that, the new pension scheme exhibit some traces of corruption, mismanagement and delay in disbursement of pension benefit in Nigeria., 116(21.5%) disagree while 24(4.4%) were undecided. Also, the new pension scheme exhibit some traces of corruption, mismanagement and delay in disbursement of pension benefit in Nigeria, as agreed to by 136(25.2%) respondents while 196(36.3%) strongly agree.

Further information in table 4.5.2 reveals, 136(25.2%) strongly disagree that, the delay in the payment of pension is as a result of mismanagement of funds, 172(31.8%) disagree while 28(5.2%) were undecided. 76(14.1%) agree that, the delay in the payment of pension is as a result of mismanagement of funds, as 128(23.7%) strongly agree.

Consequently, table 4.5.2 reveals 104(19.2%) strongly disagree that religious Poor funding of the Contributory Pension Scheme constitutes major challenges in the scheme., 92(17%) disagree while 16(3%) were undecided. 136(25.2%) agree that, Poor funding of the Contributory Pension Scheme constitutes major challenges in the scheme., as 192(35.5%) strongly agree.

Lastly, table 4.5.2 reveals 28(5.2%) strongly disagree Lack of compliance by employers in remitting their contributions to the pension trust fund

constituted a major problem of the contributory pension scheme., 8(1.5%) disagree while 68(16.6%) were undecided. 132(22.4%) agree that, Lack of compliance by employers in remitting their contributions to the pension trust fund constituted a major problem of the contributory pension scheme, as 304(54.3%) strongly agree.

Objective 3: Examine how effective is the new pension scheme in improving the living standard of the retirees of the Federal Polytechnic workers.

Section D: Examine how effective is the new pension scheme in improving the living standard of the retirees of the Federal Polytechnic workers.

Data obtained under section D of the questionnaire (Q11, 12, 13, & 14) were subjected to statistical analysis as shown in table 4.5.1 in order to answer research objective three.

Table 4.5.2 Distribution of Respondents on how effective is the new pension scheme in improving the living standard of the retirees in the federal polytechnic offaKwara State.

Questions	Strongly disagree		Disagree		Undecided		Agree		Strongly Agree		
The introduction of pension reform policy positively affects the living	F	%	F	%	F	%	F	%	F	%	Total
	60	11.1	104	19.3	40	7.	172	31.8	164	30.3	540

standard of pensioners in the Federal Polytechnic Offa											
The new Pension Reform Act safeguard the security of workers after retirement	132	24.4	212	39.3	32	5.9	76	14.1	88	16.3	540
The contributory pension scheme allows enrollment of potential retirees into the pension payroll not later than a month after retirement.	108	20	72	13.3	8	1.5	148	27.4	204	37.7	540

Source: Field Reports, 2021

Data in Table 4.4.3 reveals 60 (11.1%) respondents strongly disagree that, the introduction of pension reform policy positively affects the living standard of pensioners in Federal Polytechnic Offa.,104(19.3%) disagree while 40(7%) were undecided. 172(31.8%) agree that the introduction of pension reform policy positively affects the living standard of pensioners in Federal Polytechnic Offa. while 164(30.3%) strongly agree.

Furthermore, 132(24.4%) strongly disagree that the contributory pension scheme allows enrollment of potential retirees into the pension payroll not later than a month after retirement, 212(39.3%) disagree while 32(5.9%) were undecided. Also, 76(14.1%) agreed that the contributory pension scheme allows enrollment of potential retirees into the pension payroll not later than a month after retirement. While 88(16.3%) strongly agree.

In addition, table 4.4.3 reveals, that 108(20%) strongly disagree that The Pension Fund Administrators and Pension Fund Custodians can guarantee adequate security and protection of retirees' funds., as 72(13.3%) disagree while 8(1.5%) were undecided. On the other hands 148(27.4%) agree that the Pension Fund Administrators and Pension Fund Custodians can guarantee adequate security and protection of retirees' funds, as 204(37.7%) strongly agree.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATIONS

5.5 Recommendations

In order to achieve germane implementation of the new contributory pension scheme the following recommendations were suggested.

There is need for public enlightenment campaigns on the merits of a contributory pension scheme with a view of addressing the current problems faced by retirees and pensioners in collecting their entitlements. To achieve this objective, government should as a matter of policy institute pre and post retirement courses for civil servants at least five years before retirement date. This will enable prospective retirees to embark on some form of personal retirement plans.

The Regulatory agencies must ensure effective implementation of the penalties provided by the Act on non-compliers regardless of their status and origin. To achieve this goal, conducive and enabling environment must be created by the Government for smooth implementation, compliance and application of the scheme by firms and other players in pension administration.

To minimize corruption, our Law enforcement Agencies and other corruption fighting Commission like EFCC, ICPC etc should beam their search light on those saddled with pension responsibilities in the country, and those found culpable brought to book.

There is need for training and retraining of pension staffs. This would better equip them for the challenges associated with the 21st Century pension reforms. Proper record keeping should be ensured. This would minimize the rate of ghost pensioners, alongside the frequency of pension verification exercise often carried out by government and private sector employer.

Government and the National Pension Commission must ensure effective monitoring, supervision and enforcement of the provisions of the Pension Reform Act, 2004 that introduced the new contributory pension scheme in Nigeria. The National Pension Commission must encourage compliance with the Act and ensure uniformity of application among firms in Nigeria. In order to achieve this, the National Pension Commission must strengthen its monitoring and compliance departments to periodically examine the books of transaction of PFAs and PFCs.

5.6 Conclusion

This study empirically assesses the Impact of the Contributory Pension Scheme in the Nigeria Civil Service: A Case-study of The Federal Polytechnic Offa. Conceptually, pension connoted the monthly amount paid by government or private company to a retired officer or employee after working for some specific period, considered too old or ill to work or have reached the statutory age of retirement.

However, in the past the pension system in the country was characterized by pay-as-you-go defined benefit in the public sector. The system was a structure of non- contributory pensions, which was hampered by much operational difficulty. These difficulties include uncoordinated and inadequate funding, non-availability of records management, irregularities and conflicting laws, fraud, and the presence of retirees that are not eligible for salaries and pensions, and the inability to effectively fund. Hence, this led to a massive accumulation of debt estimated at over two trillion naira. These shortcomings adversely affected payments of retirement benefits to retirees in Nigeria. Subsequently, the then president of the Federal Government of Nigeria, President Obasanjo brought about a change in the management and administration of pension funds in Nigeria with the enactment of the Pension Reform Act 2004 which introduced the contributory pension scheme in the public and private sectors. Thus, the rate of contribution is 7.5% of monthly emolument by both the employer and employee making a total of 15%.

Conversely, the study proved that the implementation of the contributory pension scheme has significantly improved the timely payment of retirement benefits in The Federal Polytechnic Offa. Thus Pensioners are paid their monthly pensions on or before 30th of every month in the new Contributory Pension Scheme. Furthermore, the study also proved that the new Contributory Pension scheme does not adequately address the problem of corruption and inadequate budgetary allocation in Nigeria. Hence, the new pension scheme exhibit some traces of corruption, mismanagement and delay in disbursement of pension benefit.

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QUESTIONNAIRE

SECTION A – BIO-DATA

1. Sex: Male ☐ Female ☐

2. Age: 18 – 38 ☐ 39 – 49 ☐ 50 - Above ☐

3. Marital Status: Single ☐ Married ☐ Divorced ☐

4. Employment Statue: In-service ☐ Retired ☐

5. Department: Teaching Staff ☐ Non-Teaching Staff ☐

6. Academic Qualification: Primary Education ☐ Secondary Education ☐ Tertiary Education ☐

7. Working Experience: 5 ☐ 11-15 ☐ 0 21-25 26-35

The following statements using a five (5) Likert scale construct, where five (5) is the highest, the Likert scale is given as follows:

- 1- Strongly disagree;
- 2- Disagree;
- 3- Undecided;
- 4- Agree;
- 5- Strongly Agree.

Please tick the number that corresponds to your answer in each of the questions.

<i>S/N</i>	• SECTION B: Evaluate the implementation of contributory pension scheme towards improving timely remittance benefits of federal Polytechnic workers.	<i>1</i> <i>S.</i> <i>D</i>	<i>2</i> <i>D</i>	<i>3</i> <i>U</i>	<i>4</i> <i>A</i>	<i>5</i> <i>S.A</i>
7	Workers in Federal Poly Offa are aware and support the operation of the contributory pension scheme.					
8	The contributory Pension scheme is being properly implemented in Nigeria to bring succor to civil servants.					

9	The Federal Polytechnic Offa remit their mandatory contributions to pension fund administrators' (PFA) designated bank accounts within 7 days after the payment of workers' salaries for the payment of retirement benefits.					
10	Pensioners are paid their monthly pensions on or before 30th of every month in the new Contributory Pension Scheme					
11	The implementation of the Contributory pension scheme allows timely payment of Death Benefits in Federal Polytechnic Offa					
12	The Contributory Pension Scheme has led to timely payment of gratuities (within 3 months after retirement) in Federal Polytechnic Offa.					
	<ul style="list-style-type: none"> • SECTION C: Highlight the problems and challenges associated with the current contributory pension scheme of the federal Polytechnic workers. 					
13	The new pension scheme has eradicate the problems of pension administration in Nigeria and take care of social needs of pensioners.					
14	The delay in the payment of pension is because of mismanagement of funds.					
15	The new pension scheme exhibits some traces of corruption, mismanagement and delay in disbursement of pension benefit in Nigeria.					
16	Poor funding of the Contributory Pension Scheme constitutes major challenge to the scheme.					
17	Lack of compliance by employers in remitting their contributions to the pension trust fund constituted a major problem of the contributory pension scheme					

	<ul style="list-style-type: none"> • SECTION D: Examine how effective is the new pension scheme in improving the living standard of the retirees of the Federal Polytechnic workers. 					
18	The introduction of pension reform policy positively affects the living standard of pensioners in the Federal Polytechnic Offa					
19	The new Pension Reform Act safeguard the security of workers after retirement					
20	The contributory pension scheme allows enrollment of potential retirees into the pension payroll not later than a month after retirement.					
21	The Pension Fund Administrators and Pension Fund Custodians can guarantee adequate security and protection of retirees' funds.					