The New Contributory Pension Scheme and Prompt and Regular Payment of Pensioners

ABSTRACT

Decades of pension administration, saw Nigeria grapple with reoccurring, and unending challenges of delays in the payment of pension benefits to retirees, lack of fund, and corruption. That led to the introduction of the new Contributory Pension Scheme (CPS) under the Pension Reform Act of 2004, subsequently amended in 2014. The primary objectives of the Scheme was to ensure that retirees get their pension benefits as at when due, by contributing 18% into a Retirement Saving Account (RSA) co-shared between the employer and the employee. However, the introduction of the scheme has generated intellectual debate amongst scholars, experts and stake holders, about the significance, efficacy and sustainability of the scheme as regards the prompt and regular payment of pension benefit as specified by the objectives of the scheme. Nevertheless, finding from 162 retirees of Federal Capital Development Authority has revealed that retirees frequently faced the dismal challenge of delayed payment of their pension benefit, especially those with accrued right, more so, there are issues of delayed monthly pension payment, due to miscalculation or system error. The data collected was analyzed with simple percentage. Accordingly, the study suggested among other things that accrued right should be placed on the first line charge and exempted from the cumbersome envelop budgeting process, including the establishment of an accrued right unit saddled with the responsibility of managing accrued right, among others.

Key words: *Pension, Retirees, Prompt and Regular, Accrued Right*

Introduction

Prompt payment is a commercial discipline which requires businesses to agree fair and reasonable payment terms with their suppliers. Ensure suppliers' invoices are approved and paid within agreed terms encourage adoption of the same practices throughout their supply chain. For instance in the United State of America, there is what is called the prompt payment act, the prompt payment act is law enacted in order to ensure that companies transacting business with the Government are paid in a timely manner. With certain exceptions, the Act requires that the Government make payment within 30 days from the date of submission of a properly prepared invoice by a contractor. For amounts not paid within the required period, the Government is obligated to pay interest at a rate established by the Secretary of the Treasury. At the time of original enactment, the law provided for a 15-day grace period in addition to the basic 30-day period; this provision was subsequently repealed due to perceived abuse by the Government (Goetz and Jenkins, 2005).

Drawing quintessentially from the above historical under pining and the definition of the concept formed part of the guiding assumption that heralded the adoption of the Contributory Pension Scheme in many countries of the world. Nigeria borrowed her version of the CPS from Chile a Latin American country. The uncoordinated nature of the old defined benefit scheme impelled policy makers into looking for a scheme that follows a meticulous standard of operation that will be to the benefit of all, the employee, employer and the nation inclusive.

The new pension scheme introduced a tripartite system with three key autonomous players –The Regulator, The Administrator and The Custodian to minimize the possibility of misappropriation of pension funds (PWC, 2014). The Pension Reform Act of 2014 signed into law by former President Dr. Goodluck Jonathan further strengthened pension administration in Nigeria. The Act was designed to bring more certainty to the future by ensuring that Nigerian workers have more security in retirement. For this reason, the Pension Reform Act 2014 made provisions to improve on the efficiency and accountability in the Contributory Pension's Scheme by placing emphasis on protecting pension contributions (Eme, et al, 2014: Uzor & Anekwe, 2018).

Recall that, the cardinal objective of the new pension scheme is to improve the post-retirement living conditions of the Nigerian workers, by ensuring that workers in the public service and the private sector receive their retirement benefit as when due, and assist improvident individuals by ensuring that they save in order to cater for their livelihood during old age, as captured in section 1 paragraph (c) and (d) of the Pension Reform Act 2014, is a radical departure from the old defined benefit scheme (Essien &Akuma, 2014:53; Uzor & Anekwe, 2018). The Scheme, being a joint contribution between the employer and employee, reduces the burden of pension payments of the employers and ensure sustainability of the scheme (Uzor & Anekwe, 2018).

Regrettably in spite of the noble intentions of section 1 paragraph (C) and (D) of the PRA 2014, delays have seldom been witnessed by retirees in the payment of their pension. Onuoha (2019) attributed this delay to the lack of prompt release of pension-accrued rights by the federal government, which according to him has adversely affected the smooth operations of the Contributory Pension Scheme, CPS. Findings have shown that federal government unpaid pension accrued rights for the period covering May 2017 to April 2018 spiked up to about N97.55 billion. While total accrued rights being owed pensioners since the commencement of the CPS, is over N300 billion (Onuoha, 2019).

According to Ezeala… of Premium Pension Limited, the late payment of accrued rights to retiring or retired workers by the various tiers of government is already rendering pension administration cumbersome or even impossible. He argued that, "The major challenge now is that as a measure to ensure that the government settles the backlog of accrued rights, Pension Fund Administrators, PFAs, are not allowed to grant access to Retirement Savings Accounts, RSAs, until the government releases accrued rights. This according to him implies that under the CPS, government retirees can only get their entitlement when their accrued rights are released by the government. "This is because accrued rights have to be lumped into Retirement Savings Accounts (RSAs) before lump sum and programmed withdrawals could be worked out for retirees.

More so, Iloani (2018) disclosed how cut in budgetary proposals presented to the National Assembly by the National Pension Commission (PenCom) delays retired federal workers from accessing their retirement benefits promptly. Stating that, PenCom computes the entitlements of prospective retirees ahead of time, and factors same into the budget, submitted to the lawmakers for approval. Once the lawmakers cut the budget, the retirees will have to wait until another budgetary provision is made, to make up for the shortfall. For instance, Federal Government workers due to retire in 2019 were affected by the cut in the pension budget by the National Assembly. Budget cut was explained by Aghahowa (2019) as absolute figures, that hampers the retiree from receiving his retirement benefit as when due, as envisaged by the act. Suggesting a way out of this delay, due to persistent budget cuts, the federal government has being advised to raise bond as stipulated by section 15 of the PRA 2014. This bond will help to settle the accumulated accrued rights to enable retiree's access their benefits immediately. Section 15 (1) paragraph (a) of the PRA stipulates that;

> *in the case of employees of the public service of the federation where the scheme is unfunded, the accrued right shall be recognized in form of an amount acknowledged through the issuance of federal government retirement benefit bond by the debt management office in favour of the employee and the bond issued under this subsection shall be redeemed upon retirement of the employee in accordance with section 39 of this act and the amount so redeemed shall be added to the balance of Retirement Saving Account of employee and applied in accordance with the provision of section 7 of the act".*

Apart from raising bond, it has also being suggested that the Federal government should explore the provision of section 39(1) of the PRA (2014) that puts the central Bank of Nigeria in charge of management and investment of funds, referred to as redemption fund in respect of public service. For instance, subsection 2 stipulates that the federal government shall pay into the redemption fund an amount not less than 5% of the total wage bill payable to employees in the public service of the federation. That the budget office of the federation on receipt of advice from the commission in pursuant to subsection 3 ensure adequate appropriation for shortfall and subsequent payment. As a necessary safe guard, section 40 of the act stipulates that the redemption fund shall be charged on the consolidated revenue fund. According to Aghahowa (2019), the following provisions are very clear with respect to accrued right, as necessary safe proof have been put in place, for which budgetary appropriation should not have constituted a constraint to the prompt and regular payment of such accrued right to retirees.

The contentions surrounding the prompt and regular payment of pension is encircled around the release of accrued right, the phrase accrued right which is quit new in our pension lexicon, gained prominence due to transfer of employees contribution from the old defined benefit scheme to the contributory pensions scheme. More often than not, stake holders have being caught in the web of confusion with regard to its meaning. However, Onuoha, (2019) has clarified that, the phrase accrued rights are largely entitlement of workers before the advent of the private sector-driven Contributory Pension Scheme. It is a term used to describe what the government owes its workers who have been in service before the commencement of the Pension Reform Act, 2004 (Reviewed in 2014). In a similar vein Aghahowa… also explained that accrued rights is the component of the contributors' benefits that accrued over time right from when they commenced work up to the time the pension reform commenced

Apart from the issues of delayed release of accrued right, Nwagu, (2014:31-34) challenged the provision of Sections 3, 4, and 5 of the Pension Reform Act 2004 which stipulates that employee under the age of 50 cannot receive his/ her pension benefit upon retirement to set up his own private business or even becomes employer of labour. According to him the above provisions are clog in retirees progress and tantamount to servitude, hence needs to be amended.

Statement of the Problem

According to Olanrewaju (2011) and Dostal (2010) some of the major weaknesses of the Defined Benefit Scheme include: Massive accumulation of debt estimated at over two trillion naira; large-scale arrears of unfunded entitlement of retirees; inadequate budgetary provisions coupled with rising life expectancy; increasing number of employers, wages and pensions; and inadequate supervision and regulation of pension system. These shortcomings adversely affected payments of retirement benefits to retirees in Nigeria. Thus, leading to it abrogation, and replacement to what is regarded as a more realistic scheme known as the Contributory Pension Scheme. The contributory pension scheme ensures that both the employer and employee participate in the scheme through the payment of certain percentage into a central pool known as Retirement Saving Account, to avoid delays hitherto witnessed in the previous scheme and also to reduce the financial burden of the government. This scheme is a prototype of the Chilean version of the contributory pension’s scheme introduced in 1980 under the regime of Augusto Pinochet. Nigeria was among the first countries to adopt the contributory pension’s scheme in the whole of sub-Saharan Africa. The scheme formed part of the vision 2010 document adopted by the federal government, which was aimed at accentuating economic development. However, in spite of the groundswell of optimism by policy makers and experts about the progressivism and avant-garde nature of the scheme, it has often cast some shadow of doubt as to its efficacy, with regard to meeting the need and expectation of retirees. Research in this area, has revealed complaints of delay in the payment of retirement benefit, breach of the Pensions Reform Act by

Pension Fund Administrator especially in the area of miscalculation of pension benefit, poor regulations and contradictory guidelines by PenCom, reports of outright fraud and corruption, poor management among others. However, consistent spotlight on other areas has continued, as hundreds of employees both within the public and private sector continue to retire, populating the public space with senior citizens in need of better life after retirement, hence provoking the need for research into areas of prompt and regular payment of pension. According to the Pension Compliance Report, (2019), the major issues observed from the review of compliance, shows uncredited pension contribution, delay in the payment of retirement benefits to the retirees and outstanding commitment from previous routine examinations, including budgetary shortfall with regards to pensioners accrued right. The above scenario as highlighted runs contrary to the intent of the Pension Reform Act and is a serious cause of concern.

Theoretical Framework

The study sued the theoretical framework, introduced by David Easton, Gabriel almond and Karl Duetsch. Their study is derivative of general systems theory, as their work resolves majorly around the study of political system. The political system is part of the subsystem within the social system. It explains the network of power and authority relations that defines the goal of society and its decision making process. Easton defines political system as a set of elements that is interrelated and interdependent on other element. It comprises a pattern of behavioural interaction that is dynamic and all-inclusive in character. This interaction produce results (output) that are authoritative and binding (Agene, 2003 in Otinche, 2013:68). To Almond political system is that system of interaction that is to be found in all independent societies which performs the function integration both internal viz a vis other societies by means of employment or threat of more or less legitimate compulsion.

This theory shows the dyfunctionality of the political system resulting from poor pension management that led to the introduction of the contributory pension scheme in 2004. The emerging challenges, of prompt and regular payment of retiree pensions, is a major worry for the political system as currently represented by PenCom, through it regulatory role, couple with the numerous demands from several stake holders. Some stakeholders have even suggested a return to the old scheme that guarantees the payment of a lump sum. In addition, it has been suggested that, the RSA holders should be given their contributions once it has gained a substantial amount, to invest in private business or own a property. Some of these demands could have eroded the benefit of pension reform.

Research Methodology

The respondents used for this study were employees of FCDA, PFAs and PenCom. Survey questionnaires were distributed to a total of 170 retirees of the Federal Capital Development Authority, out of which 162 was returned. The retiree population comprises of those staff that retire between the periods of 2014 – 2020 in FCDA, this period is significant due the enactment of the new Pension Reform Act 2014, and to assess the effectiveness of its provisions. The data was presented in contingency tables and analyzed with simple percentages. Qualitative analysis of the interview responses was done to validate the responses from questionnaire.

Research Assumption

The study carries the basic assumptions:

1. There is promptness and regularity in pension payment
2. There is high level of awareness of the retirees about pension process

Table 1: Data Analysis and Interpretation

S/N	Statement	SD %	D %	U %	A %	SA %	TOTAL
1	Retirees are paid their monthly and quarterly pension promptly	6 (3.7)	12 (7.4)	114 (70.4)	24 (14.8)	6 (3.7)	162/100.0
2	Retirees are paid their monthly and quarterly pension regularly	9 (5.6)	9 (5.6)	122(75.3)	19 (11.7)	3 (1.9)	162/100.0
3	Retirees are promptly enrolled for the monthly and quarterly pension payment	15 (9.3)	1 (.6)	23 (14.2)	114 (70.4)	9 (5.6)	162/100.0
4	Pensioners are given option of how their pension will be paid, either through program withdrawal or life annuity	13 (8.0)	27 (16.7)	14 (8.6)	108(66.7)		162/100.0
5	Contributory pension scheme guarantees the availability of fund for prompt and regular payment	9 (5.6)	12 (7.4)	16 (9.9)	3 (1.9)	122 (75.3)	162/100.0
6	Management of pension fund that has ensured prompt and regular payment of pensions	6 (3.7)	20 (12.3)	25 (15.4)	12 (7.4)	99 (61.1)	162/100.0
7	Retirement benefit of contributory worker or retiree are promptly accessed by their survivor (spouse, relative, children)	3 (1.9)	120 (74.1)	8 (4.9)	15 (9.3)	16 (9.9)	
8	Retirement redemption fund will ensure as provided by the act the prompt and regular payment of pension	9 (5.6)	29 (17.9)	111 (68.5)	10 (6.2)	3 (1.9)	162/100.0
9	Monthly remittances of contribution from employer of pension is not always accurate due to miscalculation of total retirement	25 (15.4)	14 (8.6)	15 (9.3)	108 (5.6)		162/100.0

	fund						
10	Prompt and regular payment of pension reduces stress and anxiety	15 (9.3)	4 (2.5)	11 (6.8)	132 (81.5)		162/100.0
11	Prompt and regular payment of pension encourages planning	3 (1.9)	15 (9.3)	6 (3.7)		138 (85.2)	162/100.0

Source: Field Work, 2021

Data Presentation and Analysis of Table

Statement 1

Reacting to statement one, which states that retirees are paid their monthly and quarterly pensions promptly, out 162 respondents, 6 representing 3.7% strongly disagreed, 12 respondents, representing 7.4 % disagreed, and 114, representing 70.4% were undecided, while 24 respondents, representing 14.8% agreed, and 6 respondents, representing 3.7% strongly agreed.

Implication

The implication of the response from statement one, which state that retirees are paid their monthly and quarterly pensions promptly, is doubtful as indicated in their decision to stay neutral in that respect. As such, we may not entirely conclude that the new contributory pension scheme does not guarantee prompt payment of monthly and quarterly pensions to retirees.

Statement 2

Similarly, reacting to statement two, that retirees are paid their monthly and quarterly pensions regularly, out 162 respondents, 9 respondents, representing 5.6% strongly disagreed, 9 respondents, representing 5.6 % disagreed, and 122, representing 75.3% were undecided, while 19 respondents, representing 11.7% agreed, and 3 respondents, representing 1.9% strongly agreed.

Implication

The implication of the above response from statement one, that retirees are paid their monthly and quarterly pensions regularly is still doubtful as indicated in the indistinctness of their response. Hence, we may not flatteringly report that the contributory pension scheme does not guarantee the regular payment of monthly and quarterly pensions to retirees.

Statement 3

Statement 3 indicates that out of 162 respondents, 15 respondents, representing 9.3% strongly disagreed and 1 respondent, representing 6% disagreed. While 23 respondents, representing 14.2% were undecided. Conversely, 114 respondents, representing 70.4% agreed, and 9 respondents, representing 5.6% strongly agreed that retirees are promptly enrolled for the monthly and quarterly pension payment.

Implication

This response shows that majority of the respondents agreed that retirees are promptly enrolled for the monthly and quarterly pension payment, which is quite clear from the pattern of their response; as such we report that retirees are promptly enrolled for their monthly and quarterly pensions payment following the yearly retirees enrolment routine.

Statement 4

Correspondingly, statement 4 indicates that out of 162 respondents, 13 respondents, representing 8.0% strongly disagreed and 27 respondents, representing 16.7% disagreed, while 14 respondents, representing 8.6% were undecided. On the other hand, 108 respondents, representing 66.7% agreed that pensioners are given option of how their pension will be paid, either through program withdrawal or life annuity.

Implication

The implication of the above response, shows that majority of the respondents agreed that retirees are given option of how their pension will be paid, either through program withdrawal or life annuity, which is indicative in their response pattern. As such, we may conclude that retirees are provided with the options of either selecting the programme withdrawal or life annuity, depending on the preferred choice of the retiree.

Statement 5

Response from statement 5 indicates that out of 162 respondents, 9 respondents, representing 5.6% strongly disagreed and 12 respondents, representing 7.4% disagreed. While, 16 respondents, representing 9.9% were undecided, On the other hand, 3 respondents, representing 1.9% agreed and 122 respondents, representing 75.3% strongly agreed that contributory pension's scheme guarantees the availability of funds for prompt and regular payment.

Implication

The implication of the above response from statement 5, clearly shows that the respondents were of the firm believe that the contributory pension's scheme guarantees the availability of funds for prompt and regular payment, in this regard we report that CPS guarantees the availability of funds for the timely payment of pension benefits.

Statement 6

Reacting to the statement 6, which alleges that the management of pension fund has ensured prompt and regular payment of pension, 6 respondents, representing 3.7% strongly disagreed and 20 respondents, representing 12.3% disagreed. 25 respondents, representing 15.4 % were undecided, on the other hand 12 respondents, representing 7.4% agreed and 99 respondents, representing 75.3% strongly agreed that the management of pension fund has ensured prompt and regular payment of pension.

Implication

The response indicates that majority of the respondents firmly believe that the management of pension fund has ensured prompt and regular payment of pension, however we report that CPS guarantees the availability of funds for timely payment of pension benefits.

Statement 7

Also, reacting to the statement 7, which claim that retirement benefit of contributory worker or retiree are promptly accessed by their survivor (spouse, relative, children), 3 respondents, representing 1.9% strongly disagreed and 120 respondents, representing 74.1% disagreed. 8 respondents, representing 4.9 % were undecided, while 15 respondents, representing 9.3% agreed and 16 respondents, representing 9.9% strongly agreed with the statement.

Implication

The response from statement 7, shows that it was commonly rejected by respondents that the retirement benefit of contributory worker or retirees are promptly accessed by their survivor (spouse, relative, and children), hence we conclude that survivors of the deceased retiree find it difficult to receive their retirement benefit.

Statement 8

Responding to the assertion in statement 8, that retirement redemption fund will ensure as provided by the act the prompt and regular payment of pension, 9 respondents, representing 5.6% strongly disagreed and 29 respondents, representing 17.9% disagreed with the statement. On the other hand, 111 respondents, representing 68.5 % were undecided, while 15 respondents, representing 9.3% agreed and 16 respondents, representing 9.9% strongly agreed with the statement.

Implication

The response indicated that majority of the respondents are in doubt about the capacity of the retirement redemption fund to ensure prompt and regular payment, clearly indicated by the respondents decision to stay neutral in their response. As such, we report that respondents are in doubt about the capacity of the retirement redemption fund, which is one of the succors provided by the act, to guarantee the prompt and regular payment of pension.

Statement 9

Statement 9, explains that, 25 respondents, representing 15.4% strongly disagreed and 14 respondents, representing 8.6% disagreed that monthly remittances of contribution from employer of pension is not always accurate due to miscalculation of total retirement fund. On the other hand, 15 respondents, representing 9.3% were undecided, while 108 respondents, representing 66.7% agreed that monthly remittances of pension are not always accurate due to miscalculation of total retirement fund.

Implication

The response shows that it was a commonly held opinion that remittances of monthly pension contribution from employer is not always accurate due to miscalculation of total retirement fund, in the forgoing regard, we report that monthly remittances of contributions from employer is not always accurate due to miscalculation of total retirement fund.

Statement 10

Statement 10 indicates that, 15 respondents, representing 9.3% strongly disagreed and 4 respondents, representing 2.5% disagreed that prompt and regular payment of pension reduces stress and anxiety. On the other hand, 11 respondents, representing 6.8% were undecided, while 132 respondents, representing 81.5% agreed that prompt and regular payment of pension reduces stress and anxiety.

Implication

The response reveals that most of the respondents accept the statement that prompt and regular payment of pension reduces stress and anxiety, in this regard, we report that the Contributory Pension Scheme will reduce the stress of the retirement due to the promptness and regularity in the payment of their pension benefit.

Statement 11

Statement 11, illustrates that, 3 respondents, representing 1.9% strongly disagreed and 15 respondents, representing 9.3% disagreed that prompt and regular payment of pension encourages planning. On the other hand 6 respondents, representing 3.7% were undecided, while 138 respondents, representing 85.2% agreed that the prompt and regular payment of pension encourages planning.

Implication

The response indicates that majority of the respondents agreed that prompt and regular payment encourages planning, hence, we report that the Contributory Pension Scheme encourages planning.

Result and Discussion of findings

Finding from interviews conducted with senior officials of FCDA to validate response from questionnaires distributed, showed that retirees appreciates the laudable objectives of the scheme, which is indicative of their agreement with the statement that "retirees are promptly enrolled for monthly and quarterly pension payment after six month waiting period". Pensioners are given options of how their pensions will be paid, either through program withdrawal or life annuity, CPS guarantees the availability of fund for prompt and regular payment of pension benefit to pensioners, prompt and regular payments of pension reduces stress and anxiety, prompt and regular payment encourages planning. However, neutral with regard to the statement that retirees are promptly and regularly paid their pensions. Retirement redemption fund will ensure the prompt and regular payment of pensions. The above response shows that the scheme is not as effective as being touted, for instance they claimed that not all retirees receive their monthly and quarterly pensions as at when due owing lack of proper documentation of retirees information and unnecessary bureaucratic verification processes involved in rectifying some of this issues identified, including the nonchalant and abrasive attitude of PFA officials, which has made most retirees become lethargic and unenthusiastic about the scheme. They also added that those whose benefits had being paid are most times having issues with the lack of accurate payment due to error from the PFA, which they claim might be due to sharp practices on the part of the of the PFAs. They also complained that the families of some of their deceased counterpart find it quite difficult to assess the retirement benefit of their deceased breadwinners. Some retirees and officials confided with the researcher that the scheme have not lived up to expectation, hence should be reformed or even cancelled and return back to the old defined benefit scheme. On the part of official of the PFAs they are of the opinion that the scheme has met expectations, according to them, retirees now get their retirement benefit as and when due, regularly, and that the reason for complaint from retirees is due to lack of awareness about the workings of the scheme, hence suggesting the proper and adequate sensitization of retirees on the propriety or other wise of the scheme.

A comparative analysis of the above response from the retirees of FCDA and interview conducted with the PFA officials shows the disparity in opinions of both categories of respondents. While the retirees queried the mode of operations of the scheme; the PFAs thinks otherwise, which is not farfetched. Quite frankly the opinions of retirees who the scheme directly impacts on, cannot be neglected, since they are the chief beneficiaries of the CPS, and can better assess the effectiveness of the CPS, with regard to its impact on their lives, followed by the popular adage that 'he who wears the shoe knows where it pinches'. The implication of the finding from this study, which states that the Contributory Pension's Scheme guarantees prompt and regular payment of pensions to pensioners in FCDA is not valid, supported by the conclusions of (Uzoh and Anekwe, 2014:53; Onuoha, 2019; Nwagu, 2014: 31-34). This implies that the CPS does not have significant effect on the prompt and regular payment of pension to pensioners in FCDA. However, in spite of the reservations from retirees and official about the operation of the scheme, the laudable intension of the scheme cannot be overemphasized. Finding from this study is similar to the findings in Ahmad and Oyadiran, (2013) were they submitted that the contributory pension's scheme significantly improves the welfare of civil servants, but does not address the problem of inadequate budgetary allocation, hence rendering it ineffective on tackling the problem of retirees in Nigeria.

Conclusions

From the forgoing analysis, it quite clear that the prompt and regular payment of pension benefits to retirees is the bedrock in which the contributory pension's scheme is laid upon. Going by the stipulation of section 1paragraph (c) and (d) of the Pensions Reform Act, which informs the contributory nature of the scheme, employer and employees are to contribute 18% into the retirement pool, as against the previous defined benefit scheme, were the employer is wholly responsible for the payment of this benefits. Quite worrisomely, in spite the contributory nature of the scheme, the scheme has begun to witness it own forms of delay, especially with regards to delayed release of accrued right, which are pension benefit held before the introduction of the new Contributory Pensions Scheme. According to PenCom guideline, unless and except the accrued right is released by the government, pension benefits cannot be paid to the retiree, particularly those on government employment. This has put a clog on the progress of the new contributory pension scheme, and has made retirees to express a lot of deep reservations and resentment about the scheme. It is in the above regard, the findings of this study become relevant to government policy makers and stakeholders, as the study suggest the following measures.

Recommendations

The federal government should adopt a pragmatic payment mode, by signing an executive order that pension allocation should be gotten directly from the consolidated revenue fund in the first line charge, by exempting the retirees accrued right from the cumbersome envelop budgeting process, that passes through the ministry of finance budget and national planning before accrued right is paid. This will ensure the prompt and regular payment of pension.

The research recommends the setting up of the accrued right unit, this accrued right unit will be saddled with the responsibility of managing the accrued right of retirees by the usage of relevant technology in tracking the accrued right of retirees before the CPS came into effect. This will cut down the time for processing of accrued right of retirees and facilitate the prompt and regular payment of pension.

The study also suggest that accrued right should be raised from the paltry 25% to 50 - 55% there about, to enable retirees plan with their monies, besides retires can be assisted to invest their monies on profitable investment as recognized by experts, and this monies can be equally insured against investment risk, so that retirees can have control and full value of their monies.

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