

Pension Fund Management And Welfare Of Retirees In Selected Management Development Institutes (Mdis) In Nigeria.

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ABSTRACT: The issue of welfare of retirees is of grave concern to the government of any country and it is believed that this is dependent on the efficient management of their retirement benefits by their Pension Fund Managers. In Nigeria, before the inception of the Contributory Pension Scheme, the Defined Benefit (Non-Contributory) Pension Scheme was in operation but it was beset with a lot of problems such as irregular/non-payment of pensions and gratuity, mismanagement of pension funds, lack of regulatory and supervisory agency, no accountability, no transparency and large scale corruption. Thus retirees suffered untold hardship which led to the enactment of the Pension Reform Act, 2004, now 2014 which brought on board the Contributory Pension Scheme. Thus in terms of Pension Management in Nigeria, there are two categories of managers, the Pension Fund Administrators for retirees under the Contributory Pension Scheme and the Pension Transitional Arrangement Directorate (PTAD) for retirees under the Defined Benefit (Non-Contributory) Pension Scheme, with PENCOS as the regulatory body. All this was done with the aim of enhancing the welfare of retirees by reducing old age poverty which is also the global objective of such reforms. This study examined the living condition of retirees and how accountable, transparent and accessible these Pension Fund Managers are and how this has impacted on the welfare of retirees. The study adopted the qualitative method of investigating phenomenon, The stratified sampling technique was used to categorise retirees into the Contributory and Non-Contributory Pension Schemes while the simple random sampling technique was used to select participants for the study. Ten focus group discussion sessions were held and the discussants were five in number of both sexes. The qualitative data was analysed using the QSR Nvivo software. The results from the qualitative data revealed that the Pension Fund Managers in both the Contributory and Non-Contributory Pension schemes were not accountable, accessible and transparent enough. It also revealed that the living condition of retirees was affected by the irregular and delay in payment of their lumpsum and pension. Thus, the welfare of retirees have not been enhanced with the resultant effect of retirees establishing alternative means of livelihood to make ends meet. The study therefore recommends that government should take a critical look at the issue of welfare of retirees in order to come up with policies that will enhance their welfare. Secondly, that retirees benefits be enhanced and paid promptly. All these will enable them meet their basic needs and responsibilities.

KEY WORDS: Retirement, retirees, pension fund management, accountability, transparency, accessibility of pension fund managers and living conditions of retirees.

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I. INTRODUCTION

Every worker who gets employed either in a public or private sector organisation knows that he/she must retire someday and there are many reasons why people retire from paid employment. These include poor health, loss of job in later life, eligibility for social security in developed countries, a good private income, the retirement of a spouse or the desire for leisure activity. (Novak, 2012). Retirement could be voluntary, statutory or compulsory. In Nigeria, many workers retire from the Public Service based on attaining the age of retirement or reaching the maximum years in service which varies according to one's place of work which could be either core ministry, department, agency or tertiary institution. With the reform of the Civil Service decree No. 43 of 1988, retirement age was put at 60 years or 35 years in service whichever comes first, thus, there arises the need to carefully and adequately manage these categories of workers who had given most of their life, time and efforts to the actualisation of organizational growth and its development (Adeniji, Falola, Ohunakin and Folakemi 2017). However, it is important to state that judges and professors retire at 70 years of age.

Before the enactment of the Pension Reform Act 2004, every retiree from a Public Sector organisation in Nigeria, was under the Defined Benefit Pension Scheme, that is, Non-Contributory Pension Scheme (NCPS). However, it is a known fact that under this scheme, retirees suffered untold hardship due to non-payment or delay in payment of their pensions and gratuity. Thus, most retirees lived in poverty and misery to the extent that some people referred to them as "dead woods". These and other reasons led to the introduction of the

Contributory Pension Scheme(CPS) by the Federal Government of Nigeria in 2004, and with this the hopes of retirees and would-be-retirees was rekindled. The Contributory Pension Scheme was seen as a panacea for the problems of the Defined Benefit Scheme and with it, there was hope that retirees welfare will be enhanced because they can plan their lives based on the prompt and regular payment of their lumpsum and pensions.

From the study carried out by Anazado, Ezenwile, Chidolue and Umetiti (2014),the above perceived major benefit of the Contributory Pension Scheme is not really the case. They discovered that the turn of events in recent times as regards late payment or non-payment of pension is beginning to dampen the hopes of the retirees. This has led to pensioners protesting in some states of the country for example Ogun state where they protested over non-payment of retirement benefits for more than 10months.They also decried the disparity in payment between the old and new schemes, for according to them, pensioners under the old scheme received about 80% of their last salary depending on their length of service while those under the new scheme got less than 30%. Kajusola (2015) opined that it is stated in section 4c of the Pension Reform Act 2004 that “retirees will have not less than 50% of their last pay as monthly pension as at the date of retirement”. But he said that unfortunately, none of the retirees has enjoyed this amount since the inception of the Act till date. This, it is believed will definitely have a lot of impact on their welfare.

II. STATEMENT OF THE PROBLEM

It is said that the principal challenge of development is how to improve the welfare of the people (World Bank, 1991). The Federal Government of Nigeria stated that one way of achieving improvement in the well-being of the citizens of a society is to ensure that due reward is given to retirees regularly.(FGN,2004).This will enable retirees meet their basic needs of food, clothing ,housing, health services etc, thus living their lives with the expected self-esteem. And a functional pension scheme is the needed apparatus to achieve this. Globally, pension programmes especially those that are publicly financed and administered have become an issue of concern to policy makers, economists and the general public. This is not only because such programmes are central to the well-being of pensioners and the elderly, but also because majority of such programmes are not actuarially balanced (that is, they are not financially stable) and as such they are run at deficits, thus making the present values of their future liabilities to be enormous (Idowu and Olanike, 2010). In Nigeria, when the Defined Benefit Scheme, that is, the Non-Contributory Pension Scheme was fully in operation in the Public Service, it was bedevilled with a lot of problems such as inability of retirees to access their funds early, thus some of them died without even earning any gratuity or pension. The process of accessing the fund was cumbersome to the extent that some retirees collapsed while queuing up for verification. There was also large scale corruption in the system and public servants working in Pensions Department fraudulently enriched themselves.

In Nigeria, there are studies like the one by Imhanlahimi and Eseoghene (2011),Abdulazeez, (2014) and Ogwumike (2008) that examined pension reforms in Nigeria and its effect on productivity and welfare of public servants. Some others like Faruk (2011) examined the effect of the Contributory Pension Scheme on the welfare of retirees. Some of such studies compared the Contributory Pension Scheme with the Non-Contributory (Defined-Benefit) Pension Scheme with the objective of examining how the new scheme has given retirees a new lease of life. The question now is to what extent has the introduction of the Contributory Pension Scheme and the Non-Contributory Pension Scheme as supervised by PTAD solved the problems of accountability, transparency, accessibility of funds as and when due by retirees, large scale corruption among others? And how has this enhanced the welfare of pensioners which is the aim of pension reforms globally.

III. OBJECTIVES OF THE STUDY

The aim of this study was to examine the extent to which the welfare of retirees under the Contributory Pension Scheme as managed by PFAs and Non-Contributory(Defined Benefit) Pension Scheme as managed by PTAD have been enhanced through accountability to pensioners, transparency of the system, accessibility of PFAs and PTAD by their clients, ease of payment of pension and lumpsum to retirees, with a focus on selected Management Development Institutes in Nigeria. It further examined the living condition of retirees after retirement as an indicator of their welfare.

The specific objectives were as follows:

- (i) Examine the association between accountability of Pension Fund Managers and retirees welfare.
- (ii) Examine the extent to which the transparency of Pension Fund Managers affects the welfare of retirees.
- (iii) Examine the association of the level of accessibility of pensioners benefits on their welfare.
- (iv) Examine the living condition of pensioners after retirement as an indicator of their welfare.

The Concept of Pension Fund Management

Pension Fund Management has to do with the bodies established by government to manage the retirement benefits of retirees. In Nigeria, such bodies include Pension Fund Administrators, Pension Fund

Custodians for retirees under the Contributory Pension Scheme and the Pension Transitional Arrangement Directorate supervised by Federal Ministry of Finance. However, the regulatory body for both schemes is the Pension Commission of Nigeria (PENCOM).

Retiree/ Pensioner

A retiree/pensioner is someone who has worked for his employer be it government or a private sector organisation and leaves service for reasons such as the attainment of the mandatory retirement age or required number of years of service. He is also an employee who had to leave service due to ill-health or accident but have not attained the age of retirement or served the required number of years in service.

Retirement

Abdulazeez (2015) is of the view that retirement is a process that separates an individual from a job role or as termination of a pattern of life and a transition. Old age, poor health, social pressure or introduction of a new policy by government could be some of the causes of the separation. Retirement is the point where people leave paid employment completely. Many people chose to retire when they are eligible for private or public pension benefits, although factors such as accident which incapacitates them and illness may not allow the person to work anymore. It could also be as a result of legislations concerning their positions. In modern times, most developed and even developing countries have systems that provide pensions on retirement in old age, which may be sponsored by employers and employees or the state. Today, retirement with pension is considered a right of the worker in many societies. The “standard” retirement age varies from country to country but it is generally between 55 and 70 years. Nwajagu as stated by Abdulazeez (2015) identified three ways in which a civil or public servant may retire or leave office. They are voluntary retirement; statutory retirement and compulsory retirement.

(i) Voluntary or self retirement occurs when an 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 than the employer.

(ii) Compulsory or forced retirement is a situation in which an individual is compelled to retire against the individual’s expectation and when he is not prepared for it. It is usually viewed negatively because it is unplanned and reasons might include inefficiency, ill health, indiscipline, need for reduction of the workforce and government policy like the eight-year tenure policy for directors that was introduced by the Federal Government of Nigeria at a time.

(iii) Mandatory retirement is the normal one in the sense that the person involved has reached the statutory age of retirement as stated in the conditions of service of the establishment or has served the maximum number of years in service as stated in the Public Service Rules.

Welfare

Welfare is the provision of a minimal level of well-being and social support for citizens and other eligible residents who lack sufficient current means to support their basic needs. In most developed countries, welfare is mainly provided by the government from tax revenue, and to a lesser extent by NGOs, charities, informal social groups, religious groups, and inter-governmental organizations(Wikipedia Encyclopaedia).

. In this study, indicators of well-being include how accountable Pension Fund Managers are to their clients who are the retirees by paying them their lumpsum and their pensions as and when due, by giving them their statement of accounts, how accessible they are to them by ensuring that retirees get all the necessary information they need before and after retirement. It also include how easily the verification exercise is carried out now for retirees. The issue of transparency which has to do with informing retirees as to how their monies are invested and the returns on their investment is key to the well-being of retirees while the enforcement of the provisions of the Pension Reform Act 2014 for defaulting Pension Fund Administrators will enhance the welfare of retirees. Well-being will also include the living condition of retirees after retirement.

IV. LITERATURE REVIEW

(a) Theoretical Framework

The social contract refers to the understandings and conventions within a society that help to explain and justify its legal, political and economic structures. There are two categories of social contract theory, the early and the modern. Early social contract theories such as those proposed by Hobbes, Locke and Rousseau are centrally concerned with investigating the ideas of social co-operation and to a greater extent of political obligation.(Amir Paz-Fuchs 2011).

Social Contract arguments were used originally as a way of justifying the obligation to obey the law or more generally, the acceptance as authoritative of government decisions. On the other hand, modern social contract theories take the existence of the state as given. The modern social contract is employed as a

mechanism for identifying proper social institutions and policies that reflect justice as the basic virtue in society. In the light of these differences, what do these theories have in common that merits the common title, social contract theories? It would seem that the central attribute of social contract ideas is to perform an important legitimating function.

The Social Contract theory was applied to this study in that all workers enter into a contract of employment with their employers where each party is expected to play its role. For example the worker is expected to carry out his or her duties judiciously while the employer is expected to pay the worker and give him/her all his/her entitlements. Entitlement to old age pensions is one of the cornerstones of public policy. From time immemorial, the elderly have been perceived as “deserving” of assistance, and conditions for entitlement tend to be relaxed when compared to other groups. It is assumed that a pension system should relieve retired workers from poverty and destitution.

(b) Review of Related Literature

Anazodo, Ezenwile, Chidolue and Umetiti (2014) examined the Effect of the New Pension Scheme on Retirees in Nigeria. And from their study, the following findings were made:

- (i) Most retirees were not fully aware of the operations of the new scheme;
- (ii) Although the regulations guiding the new pension scheme were properly drafted, the ecological situation in Nigeria impedes its achievements;
- (iii) The new pension scheme has not significantly improved the welfare of the retirees, when compared with the old scheme.

Nwagu (2014), in his study titled “Transparency and Accountability as Security Mechanism in the Management of the New Contributory Pension Scheme in Nigeria”, highlighted some of the factors which led to the failure of the Defined Benefit Scheme. Such factors include insecurity of funds, lack of regulatory and supervisory agency, weak administration, corruption, mismanagement of pension funds, insufficient budgetary allocations amongst others which culminated in huge unsettled pension bills. The objective of this study was to investigate whether transparency and accountability are being maintained in the management of the consolidated pension fund in the new scheme by pension fund administrators and custodians. According to Alababan (2011), cited by Nwagwu (2014) the Pension Reform Act 2004 identifies integrity, transparency and accountability among core values or founding principles for pension fund administration hence the need for probity, impartiality, fairness, honesty and truthfulness. These features were lacking in the old pension scheme which resulted in its ineffectiveness and unsustainability.

The study revealed that the pension fund administrators and custodians exhibited transparency and accountability in the management of the pension funds with respect to the reports made to PENCOR but not to their major clients that is the retirees. The author then recommended that transparency and accountability should be extended to declaration of investment returns and the sharing formula, through a forum like annual general meeting, to carry all the clients and other stakeholders along in managing their assets. It further recommended that the licensed operators should ensure that all pension funds are insured in case of economic crash.

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

Adetunde, C.O. (2017) in her study on Socio-Economic Adjustment of retired civil servants in Kwara and Lagos states in Nigeria, revealed that despite the fact that Lagos state participants planned for retirement, they still experienced some challenges due to the delay in the commencement of payment of pension and their meagre monthly pension. Retired civil servants in the study areas therefore took to trading, farming, care-giving tasks etc. They also led more frugal and quiet lifestyles in order to cope with their new status. Thus, according to her, Lagos state retirees called for the reform of the new pension scheme leading to prompt payment of gratuity and pension after retirement.

Essien and Akuma (2014) in their study titled ‘The New Contributory Pension Scheme in Nigeria: Gleaning From Past Pension Schemes’ tried to compare the current pension scheme with the past ones, with respect to their core values, with a view to highlighting some expected benefits and salient issues, which constitute areas of departure (in the new pension scheme) from the past ones. It also aimed at providing some insights into the bane of past pension schemes so as to draw some caution for the new pension scheme.

According to them improvements in the welfare of the people is the principal tenet of development policy of any society which usually manifest in the occurrence of desirable changes in the various aspects of the life of a society. The desirable changes include: a reduction in the level of absolute poverty, a reduction in the

extent of interpersonal inequality, improvements in health services and housing conditions. Thus, every development effort seeks to achieve life – sustenance, self – esteem, and freedom from servitude, which have been accepted by development economists and analysts as the “principal components” or “core values” of development. World Bank(1991) posits that “the principal challenge of development is how to improve the welfare of the people”. One way of achieving improvements in the well – being of the citizenry of a society is to ensure that retirees are paid promptly and regularly. This will enable retirees meet their basic needs of nutrition, clothing, housing, health services, etc. The needed apparatus through which this can be achieved, no doubt, is a functional pension scheme. Imhanlahimi and Idolor (2011), in their study titled Pension Reform, Public Workers Productivity and Welfare in Nigeria: Lessons for some other African Countries, also carried out a comparative analysis of the Non-Contributory (Defined Benefit) Scheme and the Contributory Pension Scheme in Nigeria. The dominant provisions and issues in the Pension Act 2004 were examined, so as to determine their implications for and impact on Federal public servants' productivity and pensioners' welfare in Nigeria. They were also interested in determining federal public servants' opinions about critical aspects of the CPS with a view to ascertaining public servants' disposition (positive and negative) to the scheme, including their hopes, aspirations, enthusiasm, identification and ownership of the scheme--all of which will no doubt impact on its sustainability or otherwise.

Having highlighted the values, such as assured funds for pension payment, and challenges, such as inadequate information from pension fund administrators (PFAs) and considered the implications of these for the public workers' productivity and welfare, the findings from an opinion survey of respondents revealed that Nigerian workers prefer the NCPS to the CPS for reasons such as non-participation of the workers in the decision processes leading to the establishment of the CPS and the hardship that the contribution of a percentage of salary tends to inflict on workers. There is also the issue of the lower monthly pension benefits than what obtains in NCPS. Some suggestions and recommendations were made that will guarantee the success of the scheme and enhance its acceptability, the public workers' productivity and welfare.

V. METHODOLOGY

The cross sectional survey research method was used in this study because a portion was taken from a large group to represent the whole group. The population of study is made up of fifty retirees under the Non-Contributory (Defined Benefit) and Contributory Pension Schemes from the selected MDIs in Nigeria. These are :

The Administrative Staff College of Nigeria (ASCON), Topo, Badagry;
The Industrial Training Fund (ITF),Jos;
The National Institute for Policy and Strategic Studies (NIPSS),Kuru;
Nigerian College of Aviation Technology (NCAT),Zaria and
Centre for Management Development (CMD), Lagos

The stratified sampling technique was used to categorise the pensioners in each MDI into those under the Contributory and Non-Contributory Pension schemes and the respondents from these two schemes were selected using simple random sampling technique. This method was chosen because of the nature of the study. Focus group discussion method was used to collect data from the population of study. The qualitative data obtained from the focus group discussions carried out was analysed using the QSR NVIVO software.

VI. RESULTS AND DISCUSSION

In the presentation and interpretation of the qualitative data, reference is here made to the research questions which provide the yardsticks for the axial (latent) coding of the qualitative data for the study. As stated in chapter one of this study, a total of four research questions were put forward which operationally address the issue and focus of this study –Pension Fund Management and the Welfare of Retirees in Selected Management Development Institutes (MDIS) in Nigeria. Consequently, data reporting within this context provides answer to previously asked questions.

Analysis also is based on thematic methods as it utilizes codes labelled in accordance with emerging ideas and themes. As such, the study utilizes both open and axial coding methods in its assessment of the content of the data. The open codes are analysed at a manifest level and follow the actual identification and evidence of views and opinions on the subject, however, the axial code (which connects the data to the research questions and thus the aim of the study) provide the interpretations for the outcome of the analysis and in that way connect open codes to the research questions of the study. In this way, the axial codes allow for the link between the abstract and the manifest aspects of the study. All fifteen interview questions are therefore summarized accordingly to reflect the research questions of the study. The report for the data is traditional and will be presented in line with the research questions for the study, stated as follows:

- i. What is the effect of accountability on the welfare of retirees in both the Contributory and Non-Contributory Pension Schemes in the selected Management Development Institutes in Nigeria?

- ii. How has transparency of the two schemes affected the welfare of retirees?
- iii. To what extent has the accessibility of retirement benefits by pensioners enhanced their welfare?
- iv. What is the living condition of pensioners after retirement?

Table 1 :Codes for the study

Axial Coding Level	Open Coding Level
Scheme Accountability	Lack of contact
	Accountable
	Prompt Payment
	Poor accountability
Scheme Transparency	No demands
	Good Effort
	Poor transparency
Scheme Accessibility	Positively
	Website/online access
	Poor Accessibility
Living Conditions	Government Accessibility
	Retirement Program
	Planning and Stringency
	Delayed funds

Source: Qualitative interview Report, 2018

VII. DATA REPORT

The first question for the study which is stated as: **What is the effect of accountability on the welfare of retirees in both the Contributory and Non-Contributory Pension Schemes in the selected Management Development Institutes in Nigeria?** This question assessed respondents position on the extent to which the Contributory and Non-Contributory Pension Schemes in the selected Management Development Institutes could be affirmed to be accountable. The sub or follow up questions further assessed the impact of this feature on the welfare and wellbeing of the pensioners. Data analysis for this question revealed that a substantial number of the respondents do not consider the associated bodies to be accountable. The result indicates that although some of the respondents affirmed to not having made any effort with regards to inquiry about fund records or processing on their part, majority nonetheless considered the related bodies as not being accountable.

The result suggests a dominant position of non-accountability by the respondents for as one respondent observed: We currently don't know what they are up to, sometimes they pay part of the pensions, another time they balance the rest, nobody is telling us anything. Some other respondents corroborated this position in their assertions of the poor level of information dissemination and lack of contact with the pensioners. In this vein, most of the respondents described the associated scheme as expressing nonchalance and, on that basis, unaccountable. However, on another note, some others consider the prompt payment of their money a basis upon which they considered the scheme as being accountable. According to one respondent: I don't know about others, but they are trying. They pay promptly. The view given by the generality of opinion is that the scheme managers need to put in more effort in its level of dissemination of information and contact with their clients.

With regards to the effect of the accountability of the pension scheme on the welfare and wellbeing of the respondents, most observed that it really did not affect their welfare as they continued to manage their resources the way they saw fit. While another group considered their actions are contributing to the outcomes of the welfare of the pensioners. It was argued that: You have to understand their activities and plan yourself otherwise you might be in trouble. The majority notwithstanding considered the accountability of the scheme as having a low and insignificant impact on their welfare and wellbeing.

Furthermore, it was also observed that the difference in the welfare of the retirees in the contributory and non-contributory scheme was insignificant. This is as in both groups, a majority of the members affirmed to be engaged in other sources and means for their livelihood rather than solely dependent on the pensions. It was also observed that although some members of the Contributory Pension Scheme affirmed to receiving texts or phone calls about the related functioning and processes of the scheme, nonetheless, a significant number of the group tally in opinion with those of the Non-Contributory group in asserting that accountability was poor and required improvement. In this vein it was affirmed that both groups (Contributory and Non-Contributory Pension Schemes shared low scores when it came to accountability, especially with regards to poor communication of plans and inadequate communication or feedback channels between retirees and the pension scheme managers. However, the major effect of such inadequacies of both programs dwelt on the trust levels retirees had in the schemes as most were observed to not rely solely on both schemes but rather on other sources of livelihood.

The second question of **How has transparency of the two schemes affected the welfare of retirees?** This question assessed the extent to which the pension schemes can be considered as transparent and the extent to which it impacts on the lives and welfare of the pensioners. The result from the analysis showed that most of

the respondents consider the pension scheme as making good effort. According to them, the activities of the scheme can be considered as transparent and consistent. This set of respondents stated that information about the scheme is readily available to those who are interested in finding out about the scheme under the Contributory Pension Scheme while those under the Non-Contributory Pension Scheme managed by PTAD countered the view. They argued that the activities of the scheme are shrouded in suspicion. One respondent observed that although: they put up a toll free number as contact, but when you call you will never reach them, sometimes their calls are diverted to other lines. It was thus affirmed by a majority of the respondents that the transparency of the pension scheme was questionable and their actions lacking in consistency.

Furthermore, with regards to the effect of the transparency of the scheme on the welfare of the pensioners, most of the pensioners affirmed that the poor transparency of the scheme did not have any substantial effect on their wellbeing. Their only concern as one noted was with regards to the: stories of looting and fraud perpetuated by significant members of the scheme as recounted in the news. It was also noted that while majority considered the scheme as exhibiting poor transparency features, a minority view prevailed which affirmed to the need for the pensioners themselves to make effort on their part to visit and ascertain things for themselves for according to this group: the facts and records are there and can be accessed if need be. Still this position was countered by some who argued that such records should be detailed to the retirees through recognized means such as emails or text messages about the processes and activities of the scheme.

With regards to the individual effects of the levels of transparency of the two schemes, it was observed that majority of the retirees for both schemes identify the levels of transparency for both schemes as being inadequate and in need of a review. Although, within the Contributory Pension scheme, some respondents were of the opinion that retirees should make inquiries and request for whatever information they wanted, however a strong argument which countered this position stemmed from the issue of accessibility to personnel or communication channels for the schemes. Reports abound with regards to poor handling of requests, unanswered phone calls and poor levels of information relay, with continuous transfer of requests across several lines and offices. The same case scenario is heightened even within the Non-Contributory pension scheme, with respondents affirming that such channels were non-existent or not really functional. Hence, with reference to the position of the majority on the subject of transparency, both schemes were observed to be in default and requiring further review.

The third question of **to what extent has the accessibility of retirement benefits by pensioners affected their welfare?** This question assessed the extent to which the pensioners could be considered as having gained from the accessibility of the benefits of the pension scheme. The question assessed the extent to which the pensioners wellbeing could be viewed as having been positively or negatively impacted by the activities of the pension scheme. The result of the analysis revealed that while some reported the accessibility of the pension scheme as having a positive effect on their wellbeing and welfare, some however considered it as performing below expectations and requirements. It was the view of some that the pension scheme was irregular in their activities and poorly coordinated in their affairs. According to them, there should be mediums and well managed mechanisms through which pensioners can be contacted and informed about the activities and processes of the scheme. In line with this argument, some respondents acknowledged the existence of a website and other online platforms through which the program could be assessed.

In view of the foregoing, the result for the analysis showed a tendency for a negative view and perception of the scheme by most of the respondents. According to some, the scheme isn't actually doing enough. There are better and more effective ways of managing activities and coordinating the pensioners. The findings reveal that with regards to the welfare and wellbeing of the pensioners, there was an apparent refusal by the respondents to connect their lifestyle and wellbeing to the activities of the scheme. Despite their observations and identification of the lapses and inadequacies of the scheme, it was obvious that majority of them considered themselves as doing okay and not having to depend solely on the activities of the scheme. Although some noted that they actually waited for and made budgets with their pensions in mind, nonetheless, it therefore suffices to add that the wellbeing and welfare of the pensioners is not directly connected to the observed irregularities and inaccessibility of the benefits of the scheme.

The fourth and last question addressed **What is the living condition of pensioners after retirement?** This question assessed the extent to which the living conditions of pensioners with regards to being better or worse off after retirement. The question in its latent form addressed the extent to which one could regard the scheme as being functional and as actually impacting on the lives of the pensioners. The result from the analysis revealed that although some of the respondents considered their lifestyles as sustained given their control over expenses through stringency and planning, others however lamented the lack of loans and other assistance from the relevant authorities in adjusting or coping with life in retirement. Notable mention was made of the retirement training program organised for the first set of retirees under the Contributory Pension Scheme by one respondent and how it benefited him in his adjustment. The discussant further made mention of the government providing funds: to the tune of one hundred thousand naira (₦100, 000) each in support of their adjustment to

retirement. Yet, others affirmed that such funds were no longer available. Thus, the governments assistance was inadequate.

According to the results, the inconsistencies which trail the activities of the pension scheme depict poor levels of control and management. In some areas or parameters, some people are paid as at when due, but this is not however the norm as most complain about a lack of consistency in the scheme and consider its activities as lacking in transparency, accountability and accessibility. It was also observed that although the pensioners agreed to looking forward to and planning in line with their pensions, they however did not depend solely on their pensions. Their reliance on other sources of income also alleviated the negative effects of these observed inadequacies of the pension schemes on their welfare.

With regards to the living conditions of the retirees before retirement, most of the retirees affirmed that before retirement they earned more and had good assurance of income each month. One particular retiree noted that before retirement: I was earning more than 200,000 naira monthly but now after retirement I am earning less than 70,000naira. Another noted that the major issue is that: the pension is too small and there have been no changes or increment for a long time. Some others also noted that before retirement they enjoyed certain benefits such as benefitting from the NHIS programme. In this regard it was noted that before retirement, the living conditions of the retirees were well taken care of as their various organizations catered for their needs to a large extent, however, this is not the case after retirement as most of these retirees consider themselves as not being taken care of.

In summary, this analysis presents results which identifies the pension schemes as lacking in a number of ways. The summary reached is based on the dominant view held by a majority of the respondents and the findings are presented as follows:

- i. The Pension Fund Managers who manage the Contributory and Non-Contributory Pension Schemes in the selected Management Development Institutes in Nigeria are viewed as exhibiting poor accountability but this does not impact substantially on the welfare of the retirees
- ii. The schemes (contributory and non-contributory) are considered as lacking in transparency, but this does not impact substantially on the welfare of the retirees
- iii. The retirement benefits of the pensioners are considered as irregular and insufficient with regards to their needs and responsibilities
- iv. The poor accessibility of the retirement benefits does not impact substantially on the welfare of retirees.
- v. The living conditions of retirees after retirement is relative as it depends on their level of financial planning and their access to funding outside the pension scheme

VIII. SERENDIPITOUS FINDING

Given the coding format which allowed for open coding and the emergence of data and ideas, it was observed that the major reason some of the respondents considered themselves in good condition and sustained wellbeing even after retirement, despite the inadequacies observed with the pension schemes was the fact that they considered other sources of income and planned for a control of their expenses in line with the change in their status, hence it was stated as a finding here that:

Retirees are not substantially affected by the inadequacies of the pension scheme due to their financial plans and funding from other sources.

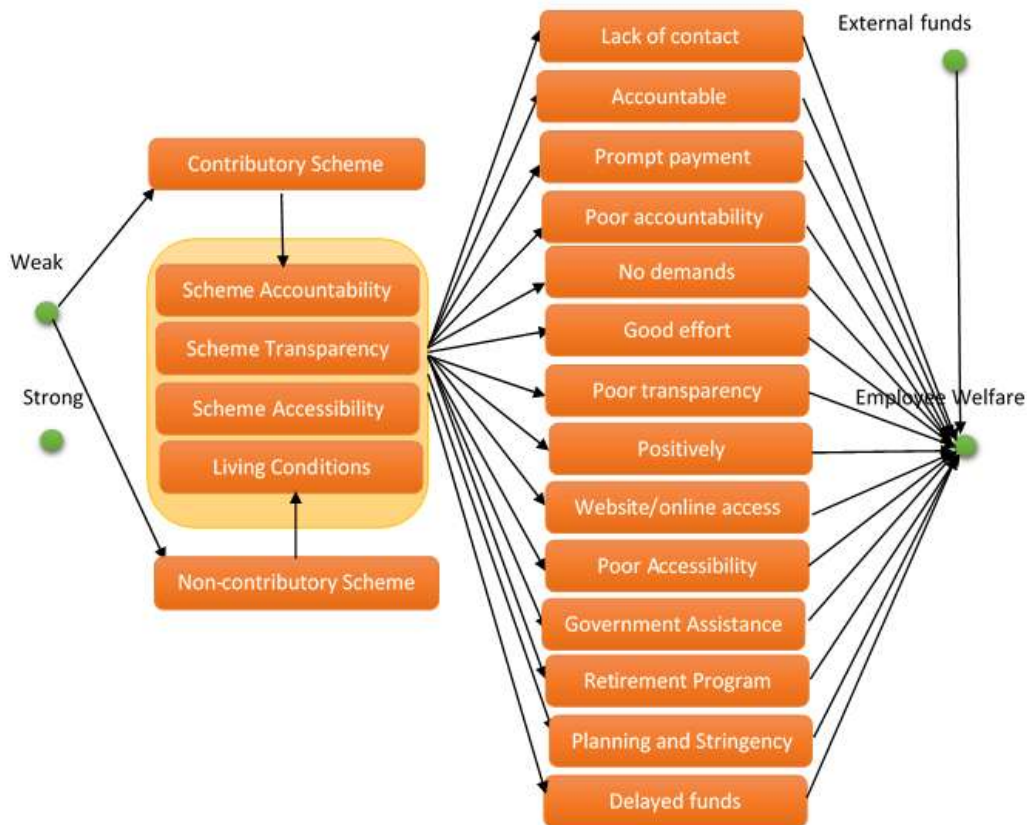


Figure 1: Nvivo output for the nexus of the relationship between the variables

The discussants for the focus group discussion agreed that despite the fact that Pension Fund Managers were not accountable, accessible and transparent enough, their welfare was not negatively affected because they were paid their pensions though not regularly under the NCPS but regularly under the CPS, and most of them had other sources of income to augment their pensions.

IX. CONCLUSION

A critical consideration of the findings of this study indicates that Pension Fund Managers of the Contributory and Non-Contributory pension schemes were not accountable, accessible and transparent enough which had a negative impact on the welfare of retirees. But in order to survive this ordeal, they had to look for alternative sources of livelihood. And the view that with the introduction of the CPS, all the problems of the NCPS have been taken care of is not supported by the findings from this study. Infact, with the management of the CPS by Pension Fund Managers, a critical issue that has negative effect on the welfare of the retirees is the poor pensions they receive which in most cases is about 25% of their earnings at retirement which is much lower than the provisions in the Act which is about 50% of their earnings.

RECOMMENDATIONS

1. The issue of welfare of retirees should be critically looked into by the government in areas such as enforcement of the provisions made in the Act such as retirees being paid about 50% of their earnings at retirement, close supervision of pension fund managers and early remittance of the employer's part of the contribution.
2. Government should endeavour to provide "soft loans" to retirees to enable them boost their businesses since from the study, it was established that most of them depended on other sources of income in order to survive the lapses of the Pension Fund Managers.
3. The Federal Government of Nigeria that is a major player in the management of pensions in Nigeria should ensure that there is always sufficient funds to pay retirees their benefits under the NCPS. And for the CPS, Federal Government should ensure quick remittal of their own share of the contribution.
4. For the Contributory pension scheme, PENCOS should embark on serious sensitization and awareness creating programmes using radio and television and using our local languages in addition to English and "pidgin" English so that more and more Nigerians will get to know how the scheme works.

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