ASSESSMENT OF IMPLEMENTATION OF THE 2004 PENSION REFORM ACT IN THE FEDERAL CAPITAL DEVELOPMENT AUTHORITY (FCDA), ABUJA

BY

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NSU/M.Sc./PAD/0019/16/17

DEPARTMENT OF PUBLIC ADMINISTRATION

JUNE, 2021

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A DISSERTATION SUBMITTED TO THE SCHOOL OF POST GRADUATE STUDIES, NASARAWA STATE UNIVERSITY, KEFFI, IN PARTIAL FUFILMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE DEGREE (M.Sc) IN PUBLIC ADMINISTRATION.

DEPARTMENT OF PUBLIC ADMINISTRATION

FACULTY OF ADMINISTRATION

NASARAWA STATE UNIVERSITY, KEFFI

NIGERIA

JUNE, 2021

DECLARATION

I hereby declare that this dissertation has been written by me and it is a report of my research work. It has not been presented in any previous publication for the award of any type of degree. All quotations are indicated and sources of information specifically acknowledged by means of references.

ALI, PETER ABAH 

NSU/M.Sc./PAD/0019/16/17 **DATE** 30th June, 202

CERTIFICATION

The dissertation "Assessment of the Implementation of the 2004 Pension Reform Act in the Federal Capital Development Authority (FCDA), Abuja." meets the regulations governing the award of Master of Science Degree in Public Administration Faculty of Administration, Nasarawa State University, Keffi

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DEDICATION

I dedicate this research work to God Almighty

ACKNOWLEDGEMENTS

I wish to express my profound gratitude to God almighty for the gift of life and sufficient grace in my academic pursuit. I sincerely appreciate my supervisor Dr. Hussaini Tukur who was never tired of reading my works to make valuable corrections; who also gave the research work a thorough supervision that has made it meet the required standard. I also extend my sincere gratitude to the Head of Department of Public Administration, Dr. Abdullahi Mohammed for his great contributions which improved the quality of this research work and his dedication to duty in taking the Department of Public Administration to the next level of greater achievements.

Many thanks to my internal Supervisor Prof. Charlie Nwakeaku whose immense contribution give this study the desired touch, Am grateful to all the lecturers in the Department of Public Administration for their contributions toward the success of this study.

To Dr. Samuel R. I. whose advice propelled me to this level of educational pursuit, I say thank you and I am very proud of you. I extend my heart felt gratitude to my late father, Mr. Ali Abah who planted in me the seed of acquiring knowledge from my infancy to date, your memory lives on my dear father. I also wish to extend my sincere gratitude to my mother, Mrs. Achetu Ali for always being there for me. Thanks for the love, encouragement, moral and financial support in building the foundation for my education, mother you remain the best and I pray the good lord in heaven grant you long life and prosperity.

I thank my lovely Daughters Mercy and Iyefu Peter and my siblings; Chief Felix Ali, Dr. John Ali, Pharmacist Joseph Ali, Honourable Joseph Ali (Jnr), Mr Friday Ali, Mrs Justina Igoche, Miss Rose Ali and the rest whom space did not permit me to mention here, I am grateful to you all for your support.

I acknowledge the immense contribution of my course mate, Adakole Emmanuel for his enormous technical inputs and advice to this study, not forgetting my dear friend Unazi Irene Ene for her encouragement towards the success of this research work.

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ABSTRACT

This study is an assessment of the 2004 pension Reform Act with particular reference to the Federal Capital Development Authority (FCDA). The 2004 Pension Act otherwise known as the contributory Pension Scheme actually repealed and replaced the old Defined Benefits Scheme which was largely tagged unsustainable, ineffective and inefficient. The contributory pension scheme which is fully funded was aimed at addressing the myriads of challenges that characterized the old pension scheme. The objectives of this study among others include: to ascertain the extent to which the 2004 Pension Reform Act has been implemented in the FCDA and to ascertain how the implementation of the act has ensured prompt payment of pension benefits to retirees of FCDA. The study adopts the survey and documentary research methods. Data were collected through both primary and secondary means. The study uses questionnaire and interview as instruments of primary data collection while secondary data were gathered through existing documents.Among others, the study finds out that the implementation of the Pension Reform Act 2004 has helped in ensuring prompt payment of pension benefits in the Federal Capital Development Authority. Though most retirees of the FCDA are paid their pension benefits as and when due since the implementation of the 2004 Pension Reform Act, most retirees still grapple with the challenges of catering for their needs since the amount paid are grossly inadequate. The study recommends among others an upward review of the amount to be contributed by both parties.

CHAPTER ONE

INTRODUCTION

1.1. Background to the Study

The Pension Reform Act 2004 repealed and replaced the Defined Benefit scheme, introduced a Contributory Pension Scheme for workers in the public sector. The old pension scheme (the Defined Benefit Scheme) was non - contributory, and the system was saddled with several problems which made the payment of retirement benefits so difficult. According to Korimapo (2009) and Yunusa (2004), the major weaknesses of pension scheme was lack of adequate and timely budgetary provision coupled with rising life expectancy, increasing number of employees, poor implementation of pension scheme in the private sector due to inadequate supervision and regulation of the system and too many private sector employees were not covered by the form of pension schemes. In April 2017, President Buhari approved ₦56billion for settlement of pension arrears. This confirmed the assertion made by Iro (2010) that there were pension arrears for pensioners estimated at fifty six billion naira (₦56billion) as at the end of June, 2004, at the time pension reform ACT of 2004 was being introduced. The Defined Benefit Scheme was met with a massive accumulation of pension debt which could no longer be sustained due to inadequate and untimely budgetary provisions. Maduka (2014) observed that it was obvious therefore that the Defined Benefit Scheme could not be sustained because of these challenges.

Pension administrations which ought to ensure prompt payment of benefits to beneficiaries in Nigeria have been very problematic. Oloja (2010) observes that in the recent time, in Nigeria, public sector pension matters showed up in the public domain, through the mass

media, with some negative imports; huge pension arrears, discovery of fictitious pensioners and discrepancies between pension appropriations and the actual amounts released. This position confirms the degree of corrupt practices in pension matters. The Nigeria government has adopted series of measures to address the challenges in the pension system through the introduction of Pension Reforms which include: the Pension Ordinance of 1951, Pension Decree 102 of 1975, Pension Act 102 of 1979, Armed Forces pension Act 103, Police and other government Agencies pension Act No. 75 of 1987; and the Nigeria Social Insurance Trust Fund (NSITF) Act 1993 for the private sector.

Alo (2004) opined that many countries are currently grappling with pension reforms in the face of pressures from aging populations. Series of pension schemes have emerged in Nigeria before and after independence. Over the years, pension have always come from budgetary allocations, non – contributory and not fully funded thereby creating bottlenecks. The major weaknesses of the old pension schemes among others were: lack of adequate and timely budgetary provision coupled with rising life expectancy, increasing number of employees, poor implementation of pension scheme in the private sector due to inadequate supervision and regulation of the system, and too many private sector employees were not covered by the form of pension schemes Korimapo (2009) and Yunusa (2004).

Many factors contributed to the problem of huge accumulation of pension arrears in Nigeria. Reduction in the eligibility years is one of such. According to Barrow (2008) as cited in Nwafor (2013) in 1992, the qualifying period for gratuity was reduced from 10 years to 5 years and that of pension from 15 years to 10 years. This increased the number of retirees eligible for pension in Nigeria. There were also demographic shifts due to

rising life expectancies, pensioners live longer which added to the pension expenditure (Ahmad, 2006; Balogun, 2004).

The Nigeria government decided to respond to these challenges by repealing the pay -as-you -go (Defined Benefit Scheme) and adopting the Contributory Scheme through the introduction of the pension Reforms Act of 2004. According to PENCOM (2006), the following are the key objectives of the Pension Reform Act 2004;

i. Ensure that every person who has worked in either the public or private sector receives his retirement benefits, as and when due.
ii. Assist improvident individuals by ensuring that they save to cater for their livelihood during old age.
iii. To ensure that pensioners are not subjected to untold suffering due to inefficient and cumbersome process of pension payment
iv. Establish a uniform set of rules and regulations for the administration and payment of retirement benefits in both the public and private sectors; and
v. Stem the growth of outstanding pension liabilities

Elumelu, (2005) asserts that the pension Reform Act 2004 established a uniform contributory private sector managed and fully funded pension system for both public and private sector of the country. The pension Reform Act 2004 was also enacted to provide succour for retired workers after their disengagement from service. It is aimed at ensuring timely payment of pension benefits in both public and private sectors as well as the establishment of a uniform set of rules, regulating and monitoring of investment of pension funds. The scheme ensures that every eligible employee shall maintain a

Retirement Savings Account (RSA) in his or her name with any chosen Pension Fund Administrator (PFA). Employees are expected to contribute 7.5% of the basic, housing and transport allowance each month. The total contribution of 15% of the basic, Housing and Transport allowance is credited at the end of the month to the workers Retirement Savings Account, which is opened in the workers name by his or her pension fund custodian.

The major distinguishing feature between the old pension scheme (The Defined Benefit Scheme) and the new pension scheme (The contributory pension scheme) is the contribution of money to the beneficiary's Retirement Savings Account. However, it is important to note that the pension reform Act of 2014 stepped up the rate of pension contribution from 15% to 18%, with the employee contributing 8% and the employer contributing 10% of the monthly salary to the employees Retirement Savings Account (RSA).

1.2 Statement of the Problem

The Nigerian pension administration has been saddled with many problems over the years. The Defined Benefit Scheme has been unfunded and non-contributory. The scheme was burdened with the accumulation of huge debts arising from nonpayment of retirement benefits, delay in payment of pension, misappropriation and mismanagement of pension fund. According to Chinwuba (2003), the Nigerian government has been unable to make financial provision to match its pension commitments. Onuoha and Obodoechi (2012) stated that one of the problems of the Defined Benefit Scheme was the accumulation of pension debt.

In an attempt to improve the pension administration, the Nigerian government enacted the Pension Act 2004. The problem with Nigeria administrative system is that, when bills are passed into law, it is always a frustrating experience at the implementation stage (Obodo, 2016). The thought of life after retirement is heart break for the Nigerian worker. For fear of uncertainty, some workers resort to age falsification in order to continue with their jobs because they are not so sure of when their retirement benefits will be due for collection. Many retirees fall sick and die due to lack of finance to settle medical bills. Nigerians who have served their country for 35 years do not deserve such treatment. However, this is a usual occurrence hence some retired workers resort to menial jobs in order to make ends meet. Despite series of reforms in the pension industry since independence, the implementation has not had significant impact on the lives of retirees. The manners in which stakeholders in the pension industry administer pension matters leave much to be desired.

The retirees in FCDA are not exempted from the myriads of challenges posed by pension administration in Nigeria. A case in point is the delay in payment of pension benefit as recorded in the FCDA when pensioners were delayed payment of their benefits for over 14 years (2004-2018). The said retirees were put in despicable situation to the point that they had to resort to long legal duel to seek redress. Aside the delay in payment of pensions and gratuity of the retirees, the amount paid are largely inadequate when juxtaposed with the prevailing economic realities in the country and the Federal Capital Territory in particular. This makes life after retirement a nightmare as retirees end up going to search for new jobs after retirement. Also, the pension payable to the retirees has not been harmonized with the current salary structure of ₦30,000.00 minimum wage. Most importantly, gratuity

is no longer paid to pensioners since the implementation of the new contributory pension scheme. According to Adeyemo (2014), over 45% of FCDA retirees take on other paid menial jobs after retirement for sustenance as benefits are grossly inadequate to carter for the basic needs of pensioners.

According to Balogun (2006), the restrictive and sharp practices in the investment and management of pension funds exacerbated the problem of pension liabilities. Other criticisms include: perception of people about the pension act. Aborishade (2008) opined that the Act is an attack on the working class and the poor by successive Nigerian government over the years. This is as because of the incessant cases of misappropriation characterized by the scheme. It is believed that an average worker when fully paid his entitlement at retirement will manage such funds better than the PFCs.

The researcher investigated the extent of implementation of the Pension Reform Act, 2004 in the Federal Capital Development Authority (FCDA), Abuja. The study focuses on 'implementation' because policy implementation has been the major obstacle to Nigeria's development (Makinde, 2005). The challenge of delay in payment of pension benefits which usually leads to untold hardship of pensioners of FCDA during the Defined Benefit Scheme is the major problem of the study. Hence, this study aims at determining whether the 2004 Pension Reform Act has been able to address this challenge.

1.3 Research Questions

i. How has the implementation of the Pension Reform Act 2004 ensured prompt payment of pension benefits at the Federal Capital Development Authority, Abuja?

ii. To what extent has the implementation of the Act ensured that pensioners are not subjected to untold suffering due to inefficient and cumbersome process of pension payment in the FCDA?

iii. Has the implementation of the 2004 Pension Reform Act assisted improvident individuals at the FCDA to save to cater for their livelihood during old age?

1.4 Objectives of the Study

The general objective of this study is to assess the implementation of the 2004 Pension Reform Act in the Federal Capital Development Authority (FCDA), Abuja. However, the specific objectives are:

i. To ascertain how the implementation of the Act 2004 has ensured prompt payment of pension benefits at the Federal Capital Development Authority.

ii. To assess the extent of the implementation of the Act in ensuring that pensioners are not subjected to untold suffering due to inefficient and cumbersome process of pension payment in the FCDA.

iii. To find out the extent to which the implementation of the 2004 Pension Reform Act has assisted improvident individuals at the FCDA to save to cater for their livelihood during old age.

1.5 Significance of the Study

This research is very significant because the effectiveness of pension administration is instrumental to the growth and development of any nation in that, it encourages productivity and socio economic growth of the society.

This study is significant to policy makers and pension administrators. It could serve as a guide for performance evaluation of the policy. To researchers who seek knowledge in this field, the study will serve as guide and reference point. Generally, this work will contribute to existing knowledge about pension administration; its implementation, problems, prospects and challenges in Nigeria. The study will also enlighten the general public on the extent of implementation of the 2004 Pension Reform Act within the Federal Capital Development Authority, FCDA.

1.6 Scope of the Study

This study is an assessment of the Implementation of Pension Reform Act. Though there are a number of Pension Reform Acts in Nigeria, the work is specifically concerned with the 2004 Pension Reform Act. There are other aspects of the 2004 Pension Reform Act such as formulation, implementation, and evaluation. However, this study is basically interested in the implementation of the 2004 Pension Reform Act at the Federal Capital Development Authority (FCDA) involving three objectives of the study. The major issues of concern of this study among others are, prompt payment of pension benefits, assessing the extent of implementation of the 2004 Pension Reform Act, and to find out whether pensioners are not subjected to untold suffering due to inefficient and cumbersome process of pension payments?

The National Pension Commission, Pension Fund Custodians and the Pension Fund Administrators are charged with the responsibility of implementing the 2004 Pension Reform Act. Hence, the study looks at Stambic IBTC Pension Managers being the Pension

Fund Administrators that majority of FCDA staff chose as their fund administrators. The researcher looks at the extent of implementation of the Act, its effectiveness and challenges. There are a number of Pension Reform Acts in Nigeria, but this study is concerned with the 2004 Pension Reform Act.

The time frame for this study will cover a period of three years - from 2016 to 2018 when the bulk of workers covered by the Contributory Pension Scheme retired.

1.7 Definition of Operational Terms and Acronyms

Assessment: as used in this study connotes a detailed examination of something in order to understand its nature, effectiveness or weakness.

Implementation: this is the process of putting into practice a specified statement made for the purpose of achieving objectives.

Pension: it is a form of deferred compensation or benefit of a worker's retirement plan to provide and secure income for old age.

Reform: this is a conscious effort to make something better by correcting or making improvements.

New Pension Scheme: the New Pension Scheme is a contributory, fully funded, privately managed scheme with third party custody of the pension fund assets based on Retirement Savings Account (RSA) for each contributor.

Fully funded: this is the situation where pension funds and assets match pension liability at any given time.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual Framework

2.1.1. Pension: the term pension has been defined in different ways by different scholars. To Otinche (2012), Pension is a variant of social security benefits whose modeled introduction is informed by economic and political considerations; it is a legal and economic obligation in which employers of labour are mandated to fulfill in their contractual relationship. Two key elements could be drawn from this definition i.e, it is another form of social security, it also has economic and political undertone. It is a social security because it is aimed at providing benefits by the state to ensure the wellbeing of retirees.

Pension is the monthly remuneration to disengaged workers by the reason of age, ill health or having reached the mandatory retirement year.

According to Iro, (2010) a pension is a contract for a fixed sum to be paid regularly to a pensioner, typically following retirement from service. This definition could be clumsy to a novice as it uses the same concept (pensioner) to define the concept (pension), i.e. one has to understand who a pensioner is to fully understand this definition. Lemke and Lins (2013) asserts that traditionally, the word pension connotes a form of official obligations in an employment relationship.

The Legal Dictionary define Pension as a benefit, usually money, paid regularly to retired employees or their survivors by private business, federal, states and local governments.

Employers are not required to establish pension benefits but do so to attract qualified employees. Webster online Dictionary defines pension as retirement plans superannuation granted upon retirement of the individual. Pension is the monthly payment made to retired employees for life. It is a calculated percentage out of the employees' monthly emoluments while in active service. Idowu and Olanike (2009), define pension as a usual regular payment made by the government or by private companies or organizations to their retirees as a form of social security against old – age, risks and uncertainties.

The most important reasons for payment of pension is captured in this position advanced by Idowu and Olanike. There is the need for the aged person to be prepared against age related health risks and other forms of uncertainties. The pension scheme is a wonderful arrangement to cushion the effects of age related uncertainties.

In a more simplified way, pension could be seen as the total money paid regularly to a person who no longer work because of age and attainment of specified retirement year. Different scholars have advanced different positions on the concept of pension but the aim has remained the same. Pension is a carefully planned financial package paid to people who have retired from work. However, a very salient point has been made by Olaniyi in his definition since he believe that pension is a vital support for the elder person who can no longer do much for himself due to old age and other form of disabilities.

Adebayo (2006) and Robelo (2002) maintained that pension is also the method whereby a person pays into pension scheme a proportion of his/her earnings during his working life. The contributions provide an income (or pension) on retirement that is treated as earned income.

It is a periodic financial entitlement of a legally disengaged employee from the services of either a government establishment or a private organization. A pension is a fixed sum to be paid regularly to a person typically following retirement from service.

2.1.2. Types of Pension

The classification of pension has been made by different scholars from different perspectives. Ozor, in Abdullazeez, (2015), categorized the different types of pensions in Nigeria as follows:

. **Retiring Pension**: According to this author, this type of pension is usually granted to a worker who is permitted to retire after completing a fixed period of service. This is in line with the civil service rule of compulsory retirement after 30 – 35 years.

i. **Compensatory Pension**: This type of pension is granted to a worker whose permanent post is abolished and government Pension unable to provide him with suitable alternative employment.

ii. **Superannuating:** This type is given to worker who retires at the prescribed age limit of 60 65.

iv. **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.

Further classification was made by Kupoluyi, (2014) who sees pension from two different perspectives viz: death and gratuity pension and disability pension.

v. **Death and Gratuity Pension**: According to this author, death and gratuity pension is paid in respect of employees who passed on while in service for more than five (5) years. An amount equal to the accrued pension is paid to his designated survivor for a period of five years in addition to a lump – sum benefit equivalent of one year's salary.

vi. **Disability Pension**: Kupoluyi, (2014), also affirmed that disability pension involves workers accrued normal retirement pension subject to a maximum of 30% of his terminal salary. However, if the disability occurs prior to the completion of ten years in service, the pension is treated as having voluntarily withdrawn from service and he/she is paid a cash sum equivalent to his year's salary.

Otinche, (2012:24) looked at pension from an institutional perspective, hence categorized it thus:

vii. **State Pension**: He opined that state pension is a combination of social insurance and welfare scheme for individuals. The state system combines individual's national contribution with general taxation to provide for the pension benefits of the retiring population. This author stated that under the state pension scheme, employers of labour or government pays pension benefits to individuals on attainment of statutory defined retirement age. The retirement period varies from country to country.

viii. **Parastatal Pension**: This is partially funded by employees and employers. The gross pension benefit earned by individual retirees is dependent on the rate of mutual contribution and investment returns. The state is not directly involved in its financing but provides the legal framework for its implementation. This type of pension is enjoyed by participatory members or their chosen Pension beneficiaries in cases of eventual death.

ix. **Non – State Pension**: This is an occupational and individual pension scheme. The state is not involved in the provision of this type of pension. Here, the state does not finance the scheme with tax payer's money. According to this author, there are two types of non – state pension namely;

x. **Occupational Pension**: this is run by individual employer for the benefit of her employees and could be contributory or non – contributory depending on management disposition and economic strength of the firm.

xi. **Individual Pension Arrangement**: Pension plans put in place by individuals, such as personal pension, provident funds or voluntary schemes chosen by individuals.

2.1.3. Gratuity

Is a lump sum of money paid to a worker on retirement, upon death or retirement or as a result of incapacitation due to illness. Nwajiagu (2007) states that; in some cases, workers are only entitled to gratuity upon withdrawal of service, in others; they may be entitled to both gratuity and pension. Unless an employee is dismissed from service for misconduct, he is qualified for both pension and gratuity. Pension and gratuity plan for public servants in Nigeria made it clear that public officer on completion of 35years of unbroken service or 60/65 respectively whichever comes first, shall receive the maximum pension and gratuity for their respective grades and ranks.

There are reports of many beneficiaries who died in retirement benefit queues after waiting for days, without food or water, to collect their benefits, (Osenogho, 2014). The Nigerian government enacted the 2004 Pension Reform Act to remedy the numerous problems of the Defined Benefit Scheme.

2.1.4. Pension Schemes in Nigeria over the years;

Before the enactment of the 2004 Pension Reform Act, Nigeria has operated several types of pension schemes as stated below;

i. **The 1949 Pension Ordinance:** The country's pension scheme had started in 1951 when the colonial administration established a scheme through an instrument called Pension Ordinance (thenationonline.net). According to Mboto, (2005), the first pension legislation in Nigeria was enacted in 1951 by the colonial masters, though its retroactive effect started on 1st January 1949. It was called the Pension Ordinance and was applied to British officials who were posted to Nigeria. This was to ease continuity of service in any area where the colonial masters operate. Nigeria, being a former colony of Britain received a pension tradition into her public sector that is entirely modeled after the British structure, Abdulazeez (2014). The scheme however benefited few Nigerians who had the privilege of working with the British officials.

ii. **The 1961 National Provident Fund**: According to Anthony (2009), this fund was the first formal social protection scheme in Nigeria, established in 1961 for the non – pensionable private sector employees. It was a saving scheme where both employer and employee contributed the sum of N4 each on monthly basis. The scheme also provided for only one – off lump sum benefit (Ahmad, 2006). The upper limit of the total contribution was (25%). This scheme excluded the workers in the public sector, thereby limiting the extent of coverage.

iii. **The Defined Benefit Scheme (1974)**: This system is generally financed on a pay – as – you – go (PAYG) or partially funded basis (Schwarz, 1995). Under a defined benefit scheme, employees and employers are aware of the amount that has been contributed, but

the benefits that accrue to individual is uncertain, since it is determined by the return on investment of the contribution.

Nigeria has operated the Defined Benefit Scheme, a largely unfunded and non – contributory scheme. According to thenationonline.net, (2014), the scheme led to a massive accumulation of pension debt and became unsustainable largely due to a lack of adequate and timely budgetary provisions, as well as increases in salaries and pension. Also the formula for computing the employers and employees contribution is defined and known in advance, but the benefit to be paid out is not known in advance. Abdulazeez (2015) stated that in the case of Nigeria, the benefits side was characterized by two components of payments lump sum benefit in the form of gratuity, based on the number of years in service and the terminal compensation package, and monthly pension payments guaranteed for life, the rate of payment being dependent on the length of years of service.

iv. **The 1979 Pension Reform Act**: In 1979, a new law on pension, which repealed all other legislations, came into being (Uzoma, 1993). This law called "Pension Decree 102 of 1979" remained the law on pension until the 2004 Pension Reform Act. According to Uzoma, (1993), prior to the enactment of Decree102 of 1979, government had realized the need to shield pension receipt from inflation. The need to raise the income pension beneficiaries to meet the rising cost of living as well as the changes effected in salaries of serving workers gave rise to the reviews in the pension legislation before and after the 1979 law.

v. **The Nigerian Social Insurance Trust Fund (NSITF) 1993.** The Nigeria Social Insurance Trust Fund (NSITF) has evolved from a provident fund scheme to a social insurance scheme and, currently employees' compensation scheme (nsit pay.com). Under

the provision of the NSITF Act, 1993, all employers of labour in the private sector registered under the Companies and Allied Matters Act (CAMA) 1990, either as companies or partnership, irrespective of the number of their employees or were sole business with a work force of not less than five (5) employees, were required to register as members to the NSITF scheme and remit their contributions monthly (nsitfpay.com, 2003). Before the Pension Reform Act of 2004, the pension scheme in the private sector was contributory in nature. Out of the 7.5% total contribution employees and employers were contributing 2.5% and 5% respectively into the National Provident Fund (NPF). The NPF was established in 1961 by an Act of parliament, was later changed to Nigerian Social Insurance Trust Fund (NSITF) by the NSITF Act No.73 of 1993, Otinche, (Ibid). The National Provident Fund and the Nigerian Social Insurance Trust Fund provides social protection through provident fund for workers in the private sector.

vi. **Pension Reform Act 2004;** Before the passing into law of the Pension Reform Act 2004, the pension system in Nigeria had been saddled with several problems, ranging from delay in the collection of pension benefits, insufficient fund, embezzlement of pension fund to eventual death of retires, arising from exhaustion while queuing for several hours waiting to collect pension benefits. There also existed poorly functional pension fund administration, with little coverage of workers in the private sector. Prior to this Act, pension plans were optional in the private sector and not operative in many organizations.

To this end, the Nigeria government enacted the Pension Reform Act 2004. The act repeals all other existing schemes and also established the National Pension Commission (PENCOM). The Pension Reform Act 2004 was introduced as a means to solving the problems associated with pension management in Nigeria, Otinche (Ibid). The Act defines

the right of participation in the contributory pension scheme by public and private sector employers and employees. The Act set in motion a chain of revolutionary transformation in the Nigeria pension industry and the economy at large, Otinche, (Ibid)

2.1.5. Pension Fund Administrators

Pension Fund Administrators in Nigeria are licensed to manage pension fund and assets on behalf of National Pension commission (PenCom) stated as follows; Pension Fund Administrators (PFAs) have been duly licensed to open retirement savings account for employees, invest and manage the pension funds in a manner as the commission may from time to time prescribe, maintain books of accounts on all transactions relating to the pension funds managed by it, provide regular information to the employees or beneficiaries and pay of retirement benefits to employees or in accordance with the provisions of the Pension Reform Act 2004; it is the responsibility of the pension fund administrator to manage and invest pension funds and assets for the contributors. Pension Fund Administrators (PFAs) are accredited agents responsible for the management of pension funds in Nigeria. They are limited liability companies with mandate to manage

Pension fund on behalf of employees.

2.1.6. Highlights of Functions of PFAs

1. Opening of Retirement Savings Account (RSA) for all employees under the scheme with a Personal Identification Number (PIN) attached.
2. Investing and managing pension funds and assets.
3. Keeping proper books of account of all pension fund transactions managed by it.

4. Maintaining a data bank and providing regular information on investment strategy, market returns and other performance indicators to the National Pension Commission.
5. Providing all strata of customer service support to employees registered under the scheme.
6. Paying retirement benefits to employees in accordance with the provisions of the Act.

2.1.7. Pension Fund Custodians (PFCs) ; Following the mismanagement and non maximization of past pension schemes, the 2004 Pension Act set apart the administration of pension funds and assets from the real custody or safe keeping of the funds and assets. That was the reason for the establishment of Pension Fund Custodians (PFCs). It is a company licensed by the National Pension Commission to keep pension money and assets in the Retirement Savings Accounts (RSA) on trust for the employees on behalf of the Pension Fund Administrators (PFAs), (W.W.W. PenCom.gov.ng). The major responsibilities of the pension fund custodians is to receive pension contributions on behalf of Pension Fund Administrator and settle transactions and undertake activities relating to the administration of pension fund investments on behalf of PFAS and to notify the PFA within 24 hours of the receipt of pension contributions from employees and employers, (PENCOM 2018). The safety of pension funds and assets is the concern of PFCs. Pension Fund Custodians are financial institutions that are expected to possess a minimum balance sheet of not less than N125b. Pension Fund Custodians (PFCs) are responsible for the warehousing of pension fund assets. The employer sends the contributions directly to the Custodian, who notifies the PFA of the

receipt of the contribution and the PFA subsequently credits the Retirement Savings Account of the employee.

2.1.8. Highlights of Functions of Pension Fund Custodians;

1. To receive directly from the employers, the total pension contributions on behalf of the PFAs, and to advice the PFAs within 24 hours of the receipt of each contribution.
2. To hold pension funds and assets in safe custody and on trust for the employees and his or her beneficiaries in a retirement savings account.
3. To assist the Pension Fund Administrators in the settlement of claims as well as administration of pension fund's investment, including the collection of dividends.
4. To undertake statistical analysis on investments and returns on investment with respect to the pension funds held by it in its custody and to provide data and information to the Pension Fund Administrators and the National Pension Commission.

2.1.9. Policy Implementation;

Policy implementation has been defined as the process of putting policy into effect by public and private individuals (Sapru 2013). From this definition, policy that has been formulated without realizing its objectives is not effective. He further stated that implementation involves developing and pursuing a strategy of organization and management to ensure that the policy process is completed with minimum delays, costs

and problems. Policy implementation therefore is the act of actualizing policy statement. It is the process of ensuring that policy objectives are translated into reality within the specified time.

According to Habibu (1994), the civil service helps to prepare the national and local development plans as well as their ultimate implementation as concrete projects in the location centers decided for them by the government. The function of the civil service in the sphere of implementation as pointed out by Habibu (1994) is in line with the opinion of Katuka and Tukur (2014) that; implementation is the execution and delivery of public policies. The success of public administration in the sphere of development is measured only in relation to policy implementation. Policy implementation is vital to the success of public administration. From the foregoing, it could be established that no matter how good, noble and sound the political and administrative system of a country may be, no policies can achieve the desired objectives if the implementation is not relevant to the purpose for which the policies were formulated. For this reason, policies must be put into effect by those concerned if not, the purpose for which the policies were designed will be defeated. It is a phase between a decision and actions Habibu (ibid). It is at the level of implementation that it can be ascertained whether a government or organization has been able to meet the set goals.

2.1.10. Elements in Policy Implementation

According to Barret & Fudge in Sapru (2013), Policy implementation is dependent on:

Knowing what you want to do;

The availability of the required resources;

The ability to marshal and control these resources to achieve the desired end; and

If others are to carry out the tasks, communicating what is wanted and controlling their performance;

Sapru (2013) states that putting policy into effect is not the end of policy making but a continuation of policy making by other means. At the minimum, implementation includes;

Adequate personnel and the financial resources to implement the policy;

The administrative capability to achieve the desired policy goals; and

Political and judicial support, (from the legislative, executive and judicial wings of government) for the successful implementation of policy.

The needed inputs from the various relevant authorities in a coordinated manner are the only ways to achieve effective policy implementation (Sapru, 2013).

2.1.11. Conditions for Effective Policy Implementation

Sabatier and Mazmanian (2005) identified five conditions for effective policy implementation thus:

i. The programme is based on a sound theory relating to changes in target group behavior to the achievement of the desired end (objectives).

ii. The statute (or other basic policy decision) contains unambiguous policy directives and structures of the implementation process so as to maximize the likelihood that target groups will perform as designed.

iii. The leaders of the implementation agencies possess substantial managerial and political skills and are committed to statutory good.

iv. The program is actively supported by organized constituency groups and by a few key legislators (or the chief executive) throughout the implementation process, with the courts being neutral or supportive.

v. The relative priority of statutory objectives is not significantly undermined over time by the emergence of conflicting public policies or by change in relevant socio – economic conditions that undermine the statues 'technical' theory or political support" and procedures as well as time and resources.

2.1.12. The Federal Capital Development Authority (FCDA)

The Federal Capital Development Authority (FCDA) is a conception of Decree No.6 of February 5, 1976 quoted as the Federal Capital Territory Act. The Decree which bestowed ownership and control of all land in Abuja to the Federal Government and also gives the FCDA the burden of handling the design, planning and construction of the Federal Capital Territory so that it meets the standard of new Capital cities round the world, paying exceptional consideration to inclusivity, functionality, aesthetics and design.

Below are the functions of FCDA as contained in the mandate:

1) To pick out a site within the Capital Territory for the location of the Capital City

2) To organize a Master Plan for the use of land in the Capital City along with the rest of the Capital Territory;

3) To provide public/community services inside the Capital Territory;

4) To establish infrastructure for example roads, railways, bridges, reservoirs, water course buildings and other such works as may be required in the FCT

5) To co-ordinate the activities and tasks of the Area Councils, Departments and other Agencies of the government of the Federation within the FCT.

The Management of the Federal Capital Development Authority

The Executive Secretary of the Authority is the Chief Executive Officer (CEO) who leads and runs the routine management of the Authority. In addition he is supported by an Executive Management Committee (EMC). The EMC comprise of Directors of Departments and Heads of Units of the Authority; there is also a 10 (ten) member Board constituted by the President to formulate guidelines and supervise the activities of the Authority on a part time basis.

The FCDA Board is headed by the Minister of the Federal Capital Territory. But with the transformation agenda of the previous Administration of Mallam Nasir Ahmed El-Rufai the former Minister of the Federal Capital Territory, Abuja from 16 July 2003 to 29 May 2007, the FCDA had its departments re-structured into nine (9) departments and four (4) Specialized Units as listed below:

Departments

1. Finance and Administration

2. Urban and Regional Planning

3. Engineering Services

4. Resettlement and Compensation

5. Public Building

6. Surveying and Mapping Units

7. Mass Housing

8. Satellite Town Infrastructure

9. Procurement

Units

1) Internal Audit

2) Special Project/IT

3) Legal Services

4) Public Relations and Protocol

This study is basically concerned with the retirees of (FCDA). It seeks to assess the implementation of the 2004 pension reform act in acheiving the objectves of ensuring prompt payment of pension benefits; ensuring that pensioners are not subjected to untold suffering due to inefficient and cumbersome process of pension paymentt; and also, to find out the extent to which the implementation of the 2004 Pension

Reform Act has assisted improvident individuals at the FCDA to save to cater for their livelihood during old age.

2.1.13 Operation of Pension in FCDA

Pension scheme is basically managed by the government or private organization (employer) and the employee. In terms of management of pension in the FCDA, the two contributors have equal participation in terms of financing, risk bearing, investment, and other activities. The Pension Reform Act 2004 assigned the administration, management and custody of pension funds to private firms- Pension Fund Administrators and Pension Fund Custodians.

As compared to the old pension scheme where most of the accounts were not fully funded and there were no ready funds to pay the pensioners, the contributory pension scheme is fully funded and provides for the contributor to account for his own self-security. The pension scheme is contributory so, every staff of the FCDA is advised to open a Retirement Savings Account (RSA). This means that the employer is expected to contribute a minimum of 7.5% of the employee's monthly emoluments (sum of the basic salary, transport, and housing allowances) while the employee contributes a minimum of 7.5%; making a total of 15% pension contributions. This contribution is based on the company's salary structure and the employee's income earned on the contributions. It is contributed to the individual employee's Retirement Savings Account (RSA) and is accessible as benefits when he/she retires. An interesting point to know is that the contributions are invested to grow as you work and then provide you with a steady income after retirement. The benefits accrued are based on the amount contributed between the employer and the employee into

the RSA which is invested in FGN Securities, Money Market Securities and other investment vehicles to the benefit of the employee.

2.2. Empirical Review

Some literatures related to the study are reviewed based on the objectives of this study.

2.2.1 Prompt Payment of Retirement Benefits to Beneficiaries

One of the key objectives of the 2004 Pension Reform Act is to ensure prompt payment of retirees' benefits in Nigeria. It is aimed at correcting the problem of nonpayment of retirees' benefits as characterized by the Defined Benefit Scheme which put them in serious economic crisis.

Bashir, (2016) assessed the Effects of the Implementation of Contributory Pension Scheme on Retirement Benefits in Kano State: A study of Kano State Pension Fund Trustees from 2007-2015. The study aimed at examining the effects of the implementation of contributory pension scheme on the timely payment of retirement benefits in Kano State. The data for the study were generated from primary and secondary sources. Data were analyzed using descriptive and inferential statistical tools. Questionnaires were administered to a sample of 118 respondents selected from 164 population of the study through a stratified and simple random sampling technique to test the hypotheses.

Regression analysis tests result revealed that, compliance with the contributory pension scheme law significantly affects the payment of retirement benefits and that, implementation of Contributory Pension Scheme has significantly improved the timely payment of retirement benefits in Kano State. It was recommended among other things

that, Pension Fund Trustees must ensure effective implementation of the penalties provided by the Pension and Gratuity Law 2006 on noncompliance regardless of position or status. Furthermore, the study suggest that a conducive and enabling environment be created by the government for smooth implementation of the scheme particularly in the areas of investment of the pension funds/assets and full remittance of contributions to the PFTs. For timely processing of retirees' retirement benefits PFTs must ensure that, qualified staff are recruited and posted as Pension Desk Officers to every government organization operating under the scheme particularly Local Government Areas and Local Government Education Authorities.

Egesi (2016) on the other hand presented a report on "Pension Reform Act of 2004 and Challenges of Social Security in the Federal Capital Territory, (F.C.T) Abuja, Nigeria". The study was aimed at the assessing the extent to which the Pension Reform Act 2004 has been able to address the challenges of social security after ten years of its implementation. The study was interested in finding out whether the challenges of delay in payment of pension benefit associated with the Defined Benefit Scheme still persist after the enactment of the 2004 Pension Reform Act. Both primary and secondary data were used for the study. Primary data were generated by the use of a survey method through administering of questionnaire and were analyzed with the aid of chi-square. The result of the study revealed that the Pension Reform Act 2004 has reduced the rate of corrupt practices and delay in payment of pension benefits. From the study, there was no significant difference on the ability of the pensioners meeting their food and social security needs before and after the enactment of the 2004 Pension Reform Act. The researcher however recommended the expansion of the scheme to cover workers at all

levels of government (local, states and federal government) and also suggested the need for additional social security schemes to alleviate the sufferings of retired workers.

Anazodo, Ezenwile, Chidolue, & Umetiti (2014) carried out a study on the effect of new pension scheme on retirees in Nigeria. The study asserts that most retirees or would-be-retirees are not fully aware of the operations of National Pension Commission, Pension Fund Administrators, Pension Fund Custodians and other relevant stakeholders. This of course has ignited some fears over their contributions; as millions of retirees who have served the country have their later years enmeshed in suffering due to late payment, non-payment, non-remittance or other administrative hiccups. The method of this paper was qualitative and exploratory in nature; descriptive analysis of secondary source gave insight into the subject matter. The study found out that most retirees are not aware of the operations of the pension managers. It therefore recommended among others that apart from adequate sensitization of retirees, they should be integral stakeholders in the management of their funds.

Nwafor (2013) assessed "The Impact of the Implementation of Pension Reform Act 2004 on the Pensioners' Welfare: A Study of Nnamdi Azikiwe University, Awka From 2004 – 2012" The primary objective was to systematically study the Pension Reform Act 2004 and to find out its effectiveness and efficiency in enhancing pensioners' welfare. To achieve this objective the researcher stated three research questions and three hypotheses for which a structured questionnaire containing thirty seven (37) questions was constructed. The responses to the question items constituted the data for the study. The data extracted from the questionnaire were presented and analyzed from which the following findings were made: Majority of the respondents agreed that the problems of the

Old Pension Scheme negatively affected the pensioners' welfare; the respondents agreed that the implementation of the Pension Reform Act 2004 has not significantly enhanced the pensioners' welfare; the respondents agreed that the institutional framework for the implementation of the Pension Reform Act 2004 is not significantly effective and efficient in delivering pensioners' welfare in Nnamdi Azikiwe University. Based on the findings, the following major recommendations were made: Public enlightenment mechanism for the beneficiaries and the public about the operations of the new pension scheme should be instituted; Pension Fund Administrators should ensure that they have a credible and competent workforce that will guarantee the issuance of accurate statement of account regularly. Any employer who fails to account accurately for his employees' contributions should be adequately sanctioned as provided by law to serve as deterrent for others. There is urgent need for regular training and development for human resource managers and others, etc. The researcher hereby recommends further research on possible amendments on the gray areas in the Pension Reform Act 2004 and the impact of the reform on the private sector's employees and pensioners.

Olaoye & Olola (2013) made an "Empirical Analysis of Contributory Pension Scheme on Retirees' Benefits in Nigeria". The study evaluated whether or not contributory pension scheme has an impact on retirees' social and economical life. The technique of data analysis in the study was the Chi-square used to compute frequency tables. It concluded that contributory pension scheme has positive impact on retirees' social and economic life in Nigeria. The study recommends an effective monitoring, enforcement of provisions of the pension reform Act, 2004 and the application of penalties for non-compliers no matter their status.

Whereas Bashir (2016) and Olaoye & Olola (2013) found that the 2004 Pension Reform Act has significantly improve the payment of retirees benefits and welfare, Egesi (2016) on the other hand in his study reveals that there has not been a significant difference in the workers welfare when compared with what was obtainable prior to the enactment of the act. This contradicting finding of the scholars as presented above necessitates another study to ascertain how the implementation of the policy has helped in ensuring prompt payment of retiree benefits.

Furthermore the studies Bashir (2016), Olaoye & Olola (2013) and Egesi (2016) were conducted at different times in different places. Different methodologies were adopted. This could have affected the outcome of the various studies. More so, none of the studies was conducted in the FCT thereby necessitating this study.

2.2.2. The Coverage of the 2004 Pension Reform Act

The 2004 Pension Reform Act is also aimed at widening the coverage of the scheme to accommodate both public and private sectors. This is in sharp contrast with what was obtainable under the Defined Benefits Scheme which covered only the public sector. Along this line, several studies have been conducted to examine the extent of its implementation in this regard.

In a study by Ekpulu (2016) entitled, "Pension Fund in Nigeria: An Appraisal". The study gave a theoretical scrutiny of the Nigerian pension fund. It is a desk research, and secondary materials were reviewed from related and relevant literature. The study observed that part of the problems of low capital formation to drive investment is attributable to the non-inclusion of the informal sector in the Defined Benefit scheme.

Given the number of registered contributors which stood at six million, twenty-five thousand one hundred and seventeen (6,025,117) employees in both private and public sector representing only about 11% of the total labour force in Nigeria with about 170 million population, and the current inclusion of the informal sector in the scheme, the implementation of the Pension Reform Act 2014 should be strictly pursued. More so, by the inclusion of the informal sector in the scheme and the formulation of the responsive regulation to facilitate the conversion rate into the scheme, the prospect of boosting the capital fund, that is, capital formation will be high. This suggests that there will be more long-term capital available for the execution of capital intensive projects.

Anekwe (2018) in a study: "Contributory Pension Scheme and the Fate of Retired and Retiring Nigerian Workers", examines how the Nigerian workers have fared with the new contributory pension scheme. The study acknowledged that more than thirteen years after the contributory pension scheme came into being through pension reform act of 2004, the scheme is still experiencing low penetration as many public and private organizations are yet to key into it. Laudable as the new contributory pension scheme is, only the Federal Government and its agencies have fully keyed into it. There are also a few states such as Lagos, Anambra, Delta, Osun, Niger, Ogun, and Zamfara which have braced the odd to migrate workers into the new scheme from the old one that was full of encumbrances and government interference.

While the Federal Government and some states are remitting their counterpart funding to add to that of workers regularly to the pension administrators, not many employers in the private sector can be said to be doing the same. During the first quarter of 2016, many states were yet to embrace the new pension scheme, while only a few private organizations

keyed into the scheme, there is no doubt that a very uncertain future awaits many Nigerian workers at retirement as a result of non-compliance of some states and private organizations which are not likely to key into the scheme any time soon owing to the economic recession and revenue crisis in the country. Some retired workers have complained that up to the time they left their employment they never knew their contributions were not remitted to their Pension Fund Administrator (PFA). This paper therefore contends that the regulatory agency, the National Pension Commission has a lot to do in ensuring that employers do not continue to shortchange their workers. Genuine efforts need to be made in this direction so as to restore the confidence of workers that the new scheme is a lot better than what was in place previously.

Ubhenin (2012) provides an insight on the Effectiveness of the Nigerian 2004 Pension Reform Policy by reviewing the results of previous studies that have inquired into the extent of achievement of the Act since enactment. Secondary data and other media sources were used to fill the existing gap. The study revealed inadequate coverage of the scheme and persistent corrupt practices in the industry. It recommended that institutions of governance must be strengthened for maximum benefit for the Nigerian workers. It was also suggested that further research efforts should be embarked upon to formalize the informal economy, and to reverse the effect of privatization and global financial crises as well as addressing the padding of ghost pensioners.

Onukwu (2017) investigates the "Challenges of Implementing the Contributory Pension Scheme in Public Universities in Nigeria". The rationale, objectives, and features of the contributory pension reform act of 2014 (amended) were discussed. Secondary sources of data were used for the discussion and the views of other scholars as it concerns the

implantation of the contributory pension scheme were analyzed. The identified challenges includes: non-compliance by many state governments thus state owned universities; non remittance by government; inability of retired employees to access their pension benefits; unique engagement arrangements of Nigeria universities; inability of employees to open and own a Retirement Savings Account (RSA); perception of employees of the scheme; contributing ratio by government and employees; different pension scheme and uncertainties of the old Defined Benefits Scheme in some universities; inability of government to fund the Guaranteed Minimum Pension (GMP); inadequate induction and orientation programme at the point of engagement. It was however recommended among others that state governments should appreciate the benefits of the contributing pension scheme and enact laws that will ensure its implementation in all state owned institutions including the universities.

According to Ikeanyibe (2004) in a study entitled "Review of the Promises and Challenges of the 2004 Pension Reform in Nigeria" the study uses a descriptive historical method to assess the 2004 pension reform in Nigeria. It examines the promises of the reform vis-à-vis the pre-reform crisis-ridden pension administration in both public and private sectors. The paper underscores some prospects of the new scheme which are mainly in the areas of regulation, third party administration by professional institutions and funding but identifies other challenges such as spread and coverage, slow pace of acceptance by lower tiers of government and corruption. The study points to the fact that most of the criticisms against the introduction of the scheme are based on economic projections which could be neither here nor there, and, which could be controlled by diversification in pension fund investments. It is underscored that a mandatory contributory pension scheme should be

distinguished from poverty relief programme and universal social security benefits to avoid scheme overloading. Above all, there is need for enlightenment directed towards the employees understanding their rights and demanding it from the employers as concerning private sector coverage.

In a study carried out by Abdulazeez (2014) entitled "Pension Scheme in Nigeria: History, Problems and Prospects" examined the evolution of pension fund administration in Nigeria, the problems associated with the scheme, and suggests ways in which the scheme may be improved to better the lot of retirees. Using a qualitative research method, the study finds that the 2004 Pension Scheme is limited in terms of coverage, investment outlets, lack of transparency, and financial limitation of workers. Hence, the scheme may not necessarily translate into economics security for the retired. The study therefore suggested the need for PENCOM to be strengthened as an institution, to enable it carry out its operations more effectively. Secondly, investment outlets need be expanded so that more opportunities for investments may be available, thereby expanding the income from investments. Also, the pension houses have to be more transparent to allow pensioners the benefit of informed decision as to which pension has to engage.

2.2.3. Assisting Improvident Individuals to save to Carter for their Livelihood during Old Age

One of the objectives of the 2004 Pension Reform Act is to assist improvident individuals by ensuring that they save to cater for their livelihood during old age. As observed by Adekunle (2018), the 2004 Pension Reform Act is contributory in nature. This means that

the employer will contribute 10 percent, while the employee will contribute 8 percent to make up the 18 percent minimum monthly contribution. An employer may however choose to contribute the entire 18 percent on behalf of its employees. In addition, voluntary contributions are allowed. It is also mandatory in nature; the Contributory Pension Scheme is mandatory for employees of the Federal Government, the Federal Capital Territory (FCT) and private sector organizations with five or more employees.

Musibau, (2012) studies "The Impact of Contributory Pension Scheme on Workers' Savings in Nigeria". The main objective of this study is to evaluate the impact of the contributory pension on employee savings in Nigeria in 2010 using Oyo state public workers as a case study. It seeks to determine the level of awareness of the public sector workers towards Contributory Pension Scheme and the impact of Contributory Pension Scheme on workers' savings. Empirical analysis revealed a significant relationship between the level of awareness of respondents and their savings. However, there is no significant relationship between Contributory Pension Scheme and savings.

A detailed study was carried out by Kalu & Attamah (2015) on the Impact of Contributory Pension Scheme on Employee Savings and Investment in Nigeria using Anambra State public workers as a case study. It uses cross-sectional primary data sourced through a structured questionnaire administered on 387 respondents. The study reveals that majority of the respondents prefers to save outside any pension scheme implying that they are participating because it is compulsory. Again, most of the respondents are not aware of their employers' own contribution to their contributory pension scheme. The study therefore concludes among others that the Nigerian government should create more

awareness and enlightenment campaign on the workers' contributory pension scheme geared towards retirements.

Folorunso (2015) investigates the effects of pension reform on household savings in Nigeria using primary data selected randomly from 182 households who have Retirement Savings Accounts (RSA) with Stambic IBTC Pension Managers Limited through a structured, open-ended questionnaire .Using the Life-Cycle Hypothesis, the result shows that pension reform increased consumption and crowded out savings of workers. The study concluded that there is an inverse relationship between pension reform and households' savings in Nigeria, the implication of this is that since the introduction of the reform, households have been unable to save due to the effects of the reform on their disposable income. The findings are consistent with the Life-Cycle model prediction as the theoretical analysis shows that pension reform caused both income and wealth effect. The study suggest that the Nigerian government must consciously put in place policies to cushion the effects of the reform on the savings behaviour of household coupled with a restructuring of the contribution pattern so as to reduce the burden of the contribution on workers.

In a study, "The Pension Reform Act 2004 and Retirement Planning in Nigeria" Nyong and Duze (2011) contend that the surest way most old people who have retired from active service solve their financial problems in Nigeria is mostly through their pension packets. It is however sadly observed that monies are usually unreachable to them as at when due because of the manner in which government and other employers handle pension issues. Because of this, some persons who are due for retirement manipulate and lower age

records to prolong retirement date and remain in service even when no longer productive thereby constituting wastages in the economic system. The study therefore examined the Pension Reform Act 2004 and its significance on retirement planning Nigeria. It investigated the current status of the PRA 2004 in attaining the objectives for which it was promulgated as perceived by 3,000 serving teachers and teacher pensioners. Results revealed objectives were yet to be achieved since retired persons still suffered trauma, pains, and even before they received their pension packages in Nigeria while its sustainability was questioned.

Olarenwaju (2004) studies "The Pension Reform Act 2004 and Wellbeing of Nigerian Retirees: A Sociological Evaluation of its Provisions. The study observes that over the past three decades, the living conditions of older persons in Nigeria had deteriorated due to the erosions of their economic power, changes in the family structures and roles, particularly on the care of older members of the immediate family and unsustainability of the pension schemes and inability of government to fulfill her expected role in the care and support of older persons in the country. Worldwide, older persons are regarded as vulnerable group, hence, it has been accepted that older persons, the children and women are in dare need of government attention. This is because poverty ravages this class of people than any other categories in contemporary world especially in developing countries. Various efforts by various successive regimes in the country at addressing the needs of older members of the society have proved abortive. For instance, pensions of public servants in Nigeria that is supposed to serve as means of sustenance in their old-age were poorly handled by Nigerian government and its corrupt officials. However, the emergence of full-fledged democracy on May 29, 1999 rekindled the hope of older

persons as government introduced in 2004 new Pension Policy. Theoretically, this paper takes a critical look at the 2004 pension policy of the government on the wellbeing of Nigerian retirees. It uses Marxist theory to analyze the issue. The paper concludes that an evaluation of the scheme revealed that the Policy may not be able to achieve its targeted objective to large extents.

A study was conducted by Anyim, & Okere (2004) titled "A Critique of Pension Reform Act, 2004 in Nigeria". Having explored the concept of pension, the paper took a critical examination of the scheme by employing review of relevant literature and based on qualitative research method, admitted that in as much as some inherent defects exist in the operations of the pension scheme, the challenges were not fundamental or substantial to undermine the overall objective of the Act. The fact that the implementation of the act has not been able to produce the desired result informed the suggestion of this paper, which called for urgent review of certain portions of the pension act, to check fraud, corruption and abuses that are inherent in the system. To treat these shortcomings lightly, the paper submitted that it means that the state has refused to play its role in providing social security services for its senior citizens after retirement.

2.2.4. The 2004 Pension Reform Act in Addressing the Problems of Untold Suffering due to Inefficient and Cumbersome Process of Pensions Payment

Olurankinse, (2010) studied "Pension Reform Act 2004: An Overview". The study critically analyzed the impact of the 2004 pension reform scheme in the public service in Nigeria. It revealed the public concern over pension matters and focused on ways to improve quality of life after service and how to increase life expectancy of pensioners in Nigeria. The urgent

need of reform necessitated the carrying out of this research, due to the fact that public sector organization at both the federal, state and local government levels have woefully failed to meet their pension liabilities thereby groaning under the heavy burden of paying the retirement benefits of retirees. The scourge of "ghost pensioners, has further aggravated the lingering pension crisis. The analytical tool used, was chi-square in which expected frequency tables were computed. The findings of the study revealed that, a pensioner under former policy of pension scheme (defined benefit scheme) has suffered neglect in receiving their gratuities and pensions. Many pensioners gave off the ghost before they could access reasonable percentage of their pension benefits. Conclusion/Recommendations: The study recommended the use of a uniform pension scheme for both the public and the private sectors and that retirement benefits should be funded by both the employer and the employee. Also, strict regulation of the activities of pension fund Administrators and National pension commission is to be established and charge with the responsibility for the regulation, supervision and effective administration of all pension matters in Nigeria.

A study was conducted by Akhiojemi, Ifeanacho, and Abu, (2018) titled "Pension Fund Management And Welfare Of Retirees In Selected Management Development Institutes (Mdis) In Nigeria". It posits that 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 (Noncontributory) Pension Scheme was in operation but it was beset with a lot of problems such as irregular/nonpayment 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 PENCOM 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 categorize retirees into the Contributory and Noncontributory 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 analyzed 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 delays in payment of their lump-sum and pension. Thus, the welfare of retirees has 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' benefit

be enhanced and paid promptly. All these will enable them meet their basic needs and responsibilities.

Ndaghu, J. T. (2015) studied the "Problems and Prospects in the Management of Retirement Benefits in Adamawa State Pension Board Yola, Nigeria". The work seeks to identify the efficacy of the board in managing retirement benefits of retirees. It further furnished the strategies to overhaul the board toward meeting the retirees demand and expectation. A simple random sample was adopted in selecting 50 respondents from the pension board and responses obtained through administration of questionnaires. The data was analyzed using tables and percentages and it revealed that the strategies needed to tackle retirees' problems are by adequately providing technologically advanced instruments and approaches as well as provision for investment in research and development. The study further revealed the problematic state of the management of retirement benefit in Adamawa state pension board Yola, the existence of bottleneck with regard to poor policy, inefficiency as well as corruptions are responsible for delay in payment of retirement benefits and inefficient system which has adverse effects on the board in discharging its duties. It is recommended that planning and evaluation mechanism should be initiated to monitor pension system as well as establishing proper auditing mechanism to minimize wastages and embezzlements.

2.2.5 Filling Existing Gap in Literature

Indeed, there several literatures on the 2004 Pension Reform Act as seen above. Scholars have researched into the various objectives of the act such as: ensuring prompt payment of retirement benefits to beneficiaries; the extent of coverage so as to accommodate workers

in both public and private sectors; and compliance of employers and employees to the Provision of the Act. Different findings and conclusions were reached along the line. While some of these studies arrived at similar conclusion, some others are at variance. This variation could be attributed to a number of variables such as: differences in time, place and methodology employed. It is also worthy of note that all the studies reviewed above were conducted in places other than the FCDA. It is on this note that this study differ from the previous literatures reviewed, hence the need to fill the gap with regards to the lack of adequate knowledge about the extent of implementation, prompt payment of pension benefits, and indeed, at the FCDA.

2.3 Theoretical Framework

According to Goode and Hatt (1952), the importance of theoretical framework in a study lies in the fact that social science research is also guided by relevant principles of human behavior. In social science research, facts must be investigated within a framework for validity and reference purposes. Implementation of an act requires a combination of inputs from different relevant bodies.

The major actors in the implementation of Pension Reform Act 2004 include National Pension Commission (PENCOM), Pension Fund Administrators (PFAs), Pension Fund Custodians (PFCs), Employees and Employers. These are the units that constitute the pension system in Nigeria. Without the required input of any of these sub-systems, implementing the provisions of the Pension Reform Act 2004 would be difficult. It is on this basis that Easton's systems theory is being adopted for this study. A system is a

cohesive conglomeration of interrelated and interdependent parts that is either natural or man-made.

Easton (1953) postulated the system theory as a systematic framework on the basis of systematic analysis approach for political study. Easton asserts that a political system involves a system of interactions in any society through which building or authoritative allocations are made and implemented. The distinctive feature of political system from other system is the binding or authoritative allocations. Some of the proponents system theory include; David Easton, Talcott Parson, and Gabriel Almond. John Becket (1982) defines a system as a whole that operate with their interrelated part and presence of one affects the others in their function. A system is a combination of distinct parts that interact in cooperation to form a complex whole. System theory is the theoretical framework used to analyze the interaction of socio-economic variables in an organization in the face of challenging situations within and outside the organizational boundary. The four items identified by Easton for his explanation of the system theory include;

2.3.1. Input

The first part of his political system was the input concept. It refers to everything in the environment of a political system that is relevant to political stress... it summarizes all of the activities and events that either contribute to the persistence of modes of allocating values for a society or threaten the persistence of such processes (Gurung, 2009). Easton (1953) further posits that Inputs may be further classified into Demands and Supports

2.3.2. Demand: Demands always arise from the very nature of human personality and society. Demands are aspirations of the people. They want to satisfy their demands so political system is asked to meet the demands of the people. According to Sabir (2018), there are four types of demands as stated by David Easton viz:

I. Demands for goods and services: These demands focus on wages and hour laws, educational opportunities, recreational facilities, roads and transportation.

II. Demands for the regulation of behavior: The demands intend to regulate the behavior of the people such as the provision of public safety, control over markets and labor relations and behaviors pertaining to marriages and family laws.

III. Demands for participation in the political system: Such demands focus on right to vote, to hold office in the legislative assemblies, right to have freedom of association and organizing a political party etc.

IV. Demands for communication and information: Those types of demands remade for the display of majority and power of the political system in the period of chaos or stability. Such inputs demands for affirmation of norms. In the pretext of above mentioned categories of demands.

2.3.3. Support: is the second type of input. Support indicates trust, confidence and affection towards the political system. Support is directed to what Easton calls "the basic political objectives" (Gurung, 2009).

Support may be of two types:

Gurung (2009) further identified two kinds of supports, viz:

1) Specific Support, which is given in return for the fulfillment of demand. It resembles the nature of the barter system.

2) Diffused support for the system is expressed as a belief in the legitimacy to the personnel and rules. It is quite similar with the expression of patriotism. The second reason why political system persist through change is because of the diffused support the system holds. Now the other half of the analysis of the political system starts with the

2.3.4. Output

When demands are aggregated, they are processed to become output. Output is what Easton (1953) termed "authoritative allocations of values". It is the decisions of the authorities on the goals to which the human and material resources of the society will be committed... they are responses to demands and represent efforts to meet or suppress them (Gurung, 2009).

When the specific demands of the masses have been met or effectively suppressed or when people themselves belief that their demands are unattainable, specific support for the political system is generated which in turn allows the state to persist.

2.3.5. Decision

Decisions are output, which come out of the conversion box in the form of general policies. The decisions may be authoritative or democratic. The political elite, army and bureaucracy are the main channels to generate input into the conversion box and after profound pondering and thoughtfulness decisions are issued in the political system in the form of political policies. All inputs do not transform into issues, only selected and combined demands which has strong support, are transformed into issues. On such issues general policies are made and the decision making process deeply affect the political

system. According to the forms of government, decisions are made in the authoritative form of government. Decisions are imposed on the subjects while in the democratic form of government decisions are taken with the consultation of masses.

2.3.6. Feedback

Feedback provides the means through which the political system is enabled to cope with stress. Underlying the cultural norms that control the flow of demands, the diffused support for the political objectives and the actual fulfillment of demands is the flow of information from the political masses to the authorities and vice-versa. Authorities can communicate to people through arresting them and the people through rioting.

2.3.7. Environment

A system is distinguishable from the environment in which it exists and opens to influences from it. According to Easton, political life is "a system of behavior embedded in an environment to the influence of which the political system itself is exposed and in turn reacts". The environment, within which the political system exists, comprises the social, economic, cultural, religious, ideological and other conditions without which a political system cannot exist. In more concrete terms, it means the natural and human resources of the economy, ecological conditions, and all the other material and non-material variables.

2.3.8. Application of the Theory to the Study

The system theory is suitable for this study since pension scheme is brought about as a result of the interplay of political, economic and social variables from the environment. The theory, when comprehended provides an insight into the implementation of pension reform acts over the years, and also enable one to know the relationship that exist within the pension system and the interactions among employers, employees, PENCOM, PFAs and other key players as it affects the implementation of the Act in the Federal Capital Development Authourity.

'Input' as stated by Easton comprises both demand and support of the society on the political structure. In this case, it represents the demand by the Nigerian workers and other stakeholders on the Nigerian government for the improvement of the welfare of retirees who have over the years been subjected to untold hardship in a quest to assess their pension benefits. These demands could be aggregated through protests by pressure groups like the Nigerian Union of Pensioners, e.g. the August 11, 2018 protest by the NUP in Ibadan for nonpayment of their retirement benefits (Ibrahim, 2018). Others could be through major stake holders, public commentators, analysts, media etc. They all exert pressure on the government to act such that the welfare of retirees is improved.

When inputs (demand and support) are aggregated, they are processed in what Easton (1953) refers to as "conversion box". By application, demand for the improvement of the retirees' welfare is aggregated as bills and processed in the National Assembly. The bill passes through a rigorous process (first, second and third reading) and thereafter sent to the president for assent before it becomes the Pension Reform Act of 2004'. This is what

Easton refers to as 'output'. The various actors who are responsible for the implementation of the act are identified and responsibilities delegated; they include the National Pension Commission; Pension Fund Administrators, Pension Fund Custodians, employers and employees. The actors work in coordination towards effective implementation of the provisions of the act to address the concern of the retirees.

Easton identified 'feedback' as one of the components of the political system. Feedback represents the aggregation of reactions from the outcome of the output. Taking a historical view of pension reforms in Nigeria, it is obvious that the failure or lapses of one act that usually lead to its modification and/or repeal and the enactment of another. For instance, the 2004 Pension Reform Act came at the backdrop of the inadequacies associated with the Defined Benefit Scheme. Also, the 2014 Pension Reform Act which is a policy outcome as a result of the demands (input) on government to modify the 2004 Act.

Based on this, the system theory is compatible with this study as the input-output analysis of the political system will advance our understanding of the implementation of the 2004 Pension Reform Act

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This study is qualitative in nature. It adopts a combination of Survey and Documentary Research. The survey research design is an opinion research study type which accommodates administering of questionnaires as well as conducting interviews. In trying to assess the implementation of the 2004 Pension Reform Act in the Federal Capital Development Authority, the study generates data through administering of questionnaires to respondents drawn from pensioners of FCDA through random sampling technique. More so, interviews were conducted on some top management staff of Stambic IBTC Pension Managers and ARM Pension, to ascertain the extent of implementation of the 2004 Pension Reform Act.

Furthermore, the Documentary method allows for the use of existing data and hence used printed relevant documents to support the survey method as highlighted above. Secondary data on the implementation of the Contributory Pension Act in the Federal Capital Development Authority was sourced from different organizations like FCDA publications, PENCOM publications, journals and other relevant publications.

3.2 Population, Sample and Sampling Technique

According to Kothari (2012), population is the totality of any group or objects which is found in a particular geographic location or at a place in a given time. This study covers the retirees of the Federal Capital Development Authourity from 2014 to 2018 with a total

population of 269. The total of this figure (269) was sampled, hence represents the sample size of the study.

3.3. Method of Data Collection

3.3.1 Primary sources of data

Primary data were collected by administering structured questionnaires to some selected respondents. These respondents were drawn from different strata of the organization. The essence of this is to obtain relevant and unbiased information from the field to aid the researcher in drawing a valid conclusion on the extent of implementation of the 2004 Pension Reform Act in the Federal capital Development Authority (FCDA), Abuja.

3.3.2 Secondary sources of data

The secondary source of data is also adopted for this study. This includes PENCOM annual publications, journals from PFAs, Academic books, internet sources etc.

3.4 Method for Data Presentation and Analysis

Both documentary and survey design method were be adopted for this study. The researcher also adopt the use of questionnaire by writing down the questions that respondents are expected to answer. Data collected will be presented using descriptive statistical tools like tables, charts, histograms and the simple percentages. Thereafter, the thematic content analysis was adopted as the method of data analysis.

3.5 Justification of Methods used

Both documentary and survey research was used for this study. The researcher collected data from the respondents through questionnaire and oral interview making it suitable for large scale studies such as this. The suitability of these instruments as means of data collection and analysis in this study is justified by the need to generate information on a sufficiently large sample allowed for generalization of the population. The documentary source of data collection through the use of existing data is very much relevant for this study as it helps in giving the researcher tremendous insight into the research problem under investigation through scholarly views and scientific investigation.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSES

4.1 Data Presentation

This study raised three basic questions to be answered and three corresponding objectives to be addressed. To answer these questions, primary data were gathered from the field. Questionnaires were administered on respondents who were drawn from retirees of FCDA, while some management staff of ARM Pension and Stanbic IBTC were interviewed. But before addressing the three research questions, efforts were made to understand the basic characteristics of the respondents. Below is a table presenting the list of retirees of FCDA from 2014 to 2018.

Table 4.1. List of Retired Staff of Federal Capital Development Authority, (FCDA) from 2014 to 2018

S/N	Year	No. of Retirees
1	2014	39
2	2015	50
3	2016	70
4	2017	57
5	2018	53
6	Total	269

Source: Finance and Admin, Contributory Pension, FCDA 2019

Table 4.1 shows a number of retirees of FCDA from 2014 to 2018. A total of 269 members of FCDA's staff have retired within the period under study. A total of 39 and 50 retirees were

recorded in the years 2014 and 2015 respectively. The year 2016, 2017 and 2018 have a record of 70, 57 and 53 respectively. 2018 has the highest number of retirees within the years under study with a total of 70 retirees while the lowest is 2014 with 39 retirees. The average number of retirees within the period is 53.8.

Table 4.2. Questionnaire Administration

S/N	Variables	Frequency	Percentage (%)
1	Returned	194	72.1
2	Not returned	75	27.9
3	Total	269	100

Source: Field work, July 2019

Table 4.2 above presents questionnaire administration. A total of 269 copies of the questionnaire were administered for the study - this is the actual sample size of the study. Out of the total issued questionnaires, 75 which represent 27.9% were not returned. However, 194 which represent 72.1% of the issued questionnaires were returned and properly filled. Hence, the study works with the 194 respondents which now represent 100% of the responses.

Research Question I.

How effective has the implementation of the Pension Reform Act 2004 been in ensuring prompt payment of pension benefits to retirees at the Federal Capital Development Authority, Abuja?

In order to generate information on this very important question, the researcher administered questionnaires were administered to the respondents. Below is the presentation of their various responses.

Table 4.3 Receipt of pension benefits

S/N	Response options	Frequency	Percentage (%)
1	Yes	178	91.75
2	No	16	8.25
3	I can't Remember	0	0
4	Total	194	100

Source: Field work, July 2019

The study also seeks to know whether retirees within the period have been receiving their pension benefits since their enrollment. Table 4.3 presents the responses of the respondent in this regards. 178 of the respondents which represent 91.75.% said yes while only 16 (8.27%) disagreed have received their pension benefits. None of the respondents was undecided in

the matter. This shows that the respondents almost unanimously agreed that they receive their benefits after active service.

Table 4.4. The manner in which pensioners receive their benefits

S/N	Response options	Frequency	Percentage (%)
1	Monthly	166	85.6
2	After 1 - 3 month	23	11.8
3	After 3 - 6 months	4	2.06
4	After 6 months	0	0
5	Once in a while	1	0.5
6	Total	194	100

Source: Field work, July 2019

In table 4.4 questions were asked to ascertain how regular the respondents receive their pension benefits. Majority of the respondents (166 responses representing 85.6%) admitted to receiving their benefit monthly. 23 of the respondents representing 11.8% receive their benefit after one month but before three months. Four respondents receive their pension benefits after three months but before six months. There is none of the respondents that get benefits after six months and only one receives once in a while. From this presentation, it is clear that most of the respondents get their benefit on monthly bases.

Table 4.5. Days of the month retirees regularly receive their pension benefits

S/N	Response options	Frequency	Percentage (%)
1	20th to 25th	5	2.6
2	26th to 31st	97	50
3	1st to 5th	61	31.4
4	6th and above	31	16
5	Total	194	100

Source: Field work, July 2019

It is one thing to receive one's benefit; it is also another thing to get it promptly – at the end of every month. Table 4.5 presents the responses of the respondents as to whether they get their pension benefits specific days of the month. Only 5 of the respondents representing 2.6% of the total responses were in the affirmative that they receive their benefits from 20th to 25th of the month. 97 respondents (50%) receive their benefits from 26th to 31st of the month. 61of the respondents which represent 31.4% receive theirs from 1st to 5th while 31 respondent representing 16% receive regularly receive from 6th and above. From the responses so far, it is obvious that a greater majority of the respondents receive their benefits between 26th and 5th.

Table 4.6. How retirees receive their pension benefits

S/N	Response options	Frequency	Percentage (%)
1	In full	155	79.9
2	Part payment	22	11.3
3	Both ways depending on the month	17	8.8
4	Total	194	100

Source: Field work, July 2019

Table 4.6 seeks to know how effective the 2004 reform Act has been in ensuring that pension benefits are fully paid as and when due. From the responses generated from the field, 155 0f the respondents which represent 79.9% of the responses affirmed that they receive their pension payment in full. 22 of the respondents (11.3%) get theirs in bits (part payment) while 17 of respondents (8.8) agreed to receiving theirs both in full or part payment. From this table, it is obvious that majority of the respondents receive their monthly benefits in full.

Research Question II

To what extent has the implementation of the Act ensured that pensioners are not subjected to cumbersome process of pension payment in the FCDA.

One of the objectives of the 2004 Pension Reform Act is to ensure that pensioners are not subjected to untold hardship due to inefficient and cumbersome process of pension payment as

was associated with the old Defined Benefit Scheme. Questions were asked along this line to generate data on the above research question.

Table 4.7. Pensioners that faced difficult process before enrolment to access pension benefits after retirement

S/N	Response options	Frequency	Percentage (%)
1	Yes	115	59.3
2	No	79	40.7
3	I can't Remember	0	0
4	Total	194	100

Source: Field work, July 2019

Table 4.7 intends to know whether retirees find the process of enrolment into the pension payroll challenging immediately after retirement. 115 of the respondents, representing 59.3% of the total responses were in the affirmative that they faced difficulties before their enrollment to start receiving their pension benefits. 79 of them, representing 40.7% did not face such difficulties. From the table above, it is obvious that a greater majority of the respondents did find the process of enrolment challenging and difficult.

4.8. The kind of difficulty retirees face before enrollment to access your pension benefits

S/N	Response options	Frequency	Percentage (%)
1	Difficult process of data capturing	95	49
2	Long wait before enrollment	112	57.7
3	Omission of pensioners name from data base	5	2.5
4	Unfriendly treatment by personnel of Pension Fund Administrators	45	23.2

Source: Field work, July 2019

The question in table 4.8 seeks to generate information from the respondents to ascertain the kind of difficulties they encounter before their enrollment to access their pension benefits. 95 of the respondents which represent 49% of responses faced difficulty in the process of data capturing. 57.7% of the respondents had to wait for a long time before enrollment while 2.5% had problems of omission of names from the data base. Furthermore, 23.2% of the respondents find the unfriendly treatment by personnel of Pension Fund Administrators very offensive.

Table 4.9. The time it took retirees before they start accessing their pension benefits after retirement

S/N	Response options	Frequency	Percentage (%)
1	One month	O	0
2	2 – 6 months	60	30.9
3	7 – 12 months	64	33
4	1 year and above	70	36.1
5	Total	194	100

Source: Field work, July 2019

If the process of enrolment is not cumbersome, then retirees should be able to access their retirement benefits immediately after retirement. Table 4.9 inquires to know how early pensioners receive their pension benefits after retirement. From the responses, none of them collected their retirement benefits in one month after retirement. 60 respondents (30.9%) received their benefits in two to six months after retirement, while 70 respondents (36.1%) received their benefits after one year.

Research Question III

Has the implementation of the 2004 Pension Reform Act assisted individuals who lack saving ability to save and cater for their livelihood during old age?

This research question is aimed at ascertaining how the implementation of the act has assisted retirees who lack the ability to save and cater for their livelihood at old age. Table 4.10 to 4.16 seeks to answer these questions.

Table 4.10. Views of the respondents on whether the 2004 Pension Reform Act has provided a good platform for saving against old age

S/N	Response options	Frequency	Percentage (%)
1	Yes	125	64.4
2	No	69	35.6
3	I can't Remember	0	0
Total	Total	194	100

Source: Field work, July 2019

Table 4.12 reflects the view of the respondents on whether the 2004 Pension Reform Act has provided a better platform for savings against old age. This is against the backdrop of complaints of dissatisfaction with the amount received as pension benefits by the majority of the retirees. 125 of the respondents which constitute 64.4% of the total

responses agreed that it has provided a good platform for savings. However, 69 of the respondents representing 35.6% of the total responses disagreed with this position.

From the presentation above, majority of the respondents (64.4%) see the scheme as a good means of saving. This does not in any way misconstrue the fact that many also (35.6%) do not see it as a better avenue for savings. Perhaps, they could have saved and invested better if their salaries were paid in full.

Table 4.11 Range of pension paid to Pensioners

S/N	Response options	Frequency	Percentage (%)
1	N20,000 and below	27	13.92
2	N21,000 – N50, 000	97	50
3	N51,000 – N100, 000	48	24.74
4	N101,000 – N150, 00	14	7.22
5	N151, 000 and above	8	4.12
6	Total	194	100

Source: Field work, July 2019

Table 4.11 presents the responses of the respondents in an attempt to ascertain the level or range of pension received monthly. 27 respondents representing 13.92% receive N20,000 or less in a month. 97 of the (50%) receive between N21, 000 and N50, 000 while 48 respondents (24.74%) receive between N51, 000 and N100, 000. 14 respondents (7.22%)

receive between N101, 000 and N150, 000 while only 8 respondents representing 4.12% receive above N151, 000 monthly as pension. The table reveals that 63.92% of the respondents receive N50, 000 or less while less than 36% of the respondents receive above that.

4.12. Essentials retirees say their pension benefits can not cover

S/N	Response options	Frequency	Percentage (%)
1	Accommodation	73	37.6
2	Feeding	35	18
3	Clothing	14	7.2
4	Medical bills	102	52.5
5	Tuition fees	131	67.5

Source: Field work, July 2019

Table 4.12 presents list of essentials that the retirees find difficult to afford with their retirement benefits. This question is important because the whole essence of savings for old age as one of the objectives of the policy is to ensure that retirees are not exposed to unnecessary hardship. 37.6% of the respondents find accommodation challenging, 18% find it difficult to feed while another basic need such as clothing is difficult for 7.2% of the respondents to afford. Furthermore, 52.5% of the respondents find medical bills challenging to afford while 67% can hardly afford their wards tuition fees. From the

foregoing, the respondents still face challenges in meeting up with essential needs after retirement.

Table 4.13. Problems faced by pensioners while waiting for benefits

S/N	Response options	Frequency	Percentage (%)
1	Accumulation of personal debt	85	43.8
2	Inability to pay for medical bills	94	48.4
3	Inability to pay for children's school fees	88	45.4
4	Hunger and starvation	155	79.9
5	Inability to pay for house rent as at when due	63	32.5
6	All of the above	43	22.2

Source: Field work, July 2019

While waiting for their pension benefits, retirees are expected to encounter certain problems. Table 4.13 present the responses of the respondents on the various challenges encountered while waiting for their pension benefits. 43.8% of the respondents pointed at accumulation of personal debt, 48.4% acknowledged inability to pay for medical bills while inability to pay for children's school fees is the major challenge of 45.4% of the respondents. Hunger and starvation is a challenge to 79.9% of the respondents while waiting for their benefits while 32.5% struggle with payment of house rents as and when due. 22.2% agreed that all of the above are the challenges that they face while expecting their benefits.

Table 4.14. Ventures pensioners can comfortably go into with their retirement benefits

S/N	Response options	Frequency	Percentage (%)
1	Farming	84	43.3
2	Buying and selling	43	22.2
3	Investment in shares	12	6.2
4	Real estate business	10	5.1
5	None	68	35

Source: Field work, July 2019

Savings should be able to guarantee some form of investment at retirement. Table 4.14 seek to know whether the benefits paid to retirees was enough to go into some ventures. 3.3% of the respondents had enough capital from the proceeds of their retirement to go into faming, 22.2% went into buying and selling, 6.2% invested in shares and 5.1% ventured into real estate business. 35% however could not go into any such ventures with their retirement benefits.

Table 4.15. Respondents views on whether the contributory pension scheme is an improvement on the previous scheme.

S/N	Response options	Frequency	Percentage (%)
1	Yes	182	93.8
2	No	12	6.2
3	I can't Remember	0	0
3	Total	194	100

Source: Field work, July 2019

The table above shows the opinion of the respondents on whether this contributory scheme is an improvement on the past scheme. Most of the respondents (93.8%) agreed that it has addressed some of the challenges associated with the old scheme. only 6.2% of the respondents did see it so.

4.2 Data Analysis and Results

Research question 1: How effective has the implementation of the 2004 Pension Reform Act been in ensuring prompt payment of pension benefits in the Federal Capital Development Authority?

From the data presented above, it is evident that an overwhelming majority (91%) of the respondents have been receiving their pension benefits and 85% of them receive it monthly. 81.4% of them receive their monthly benefits between 26th of the month and fifth of the following month while 79.9% of them always get their benefits in full. The presentation also reveals that only 8.25% of the respondents have not been receiving their benefits. on the other hand, a total of 14.4% did not get their benefits on monthly bases while 11% of the respondents don't get their benefits in full. On this note, the study therefore affirm that the implementation of the Pension Reform Act 2004 been effective in ensuring prompt payment of pension benefits to retirees at the Federal Capital Development Authority, Abuja.

Research Question II

To what extent has the implementation of the Act ensured that pensioners are not subjected to untold suffering due to inefficient and cumbersome process of pension payment in the FCDA?

From the data presented above, it could be seen that 59% which is 115 of the respondents face difficulty before enrollment to access their pension benefits. Such difficulty occur during data capturing (49%), i.e 95 respondents experienced long wait before enrollment (57.7%), which is 112 of the respondents complained of omission of names from the data base (2.5%), i.e 5 respondents also complained of unfriendly treatment by personnel of Pension Fund

Administrators (23.2%). furthermore, data from the field reveals that none of the respondents get their benefits a month after retirement and only 30.9%, i.e 60 respondents got their benefits in 6 months after retirement. An overwhelming majority of the respondents got their benefits only after 6 months of retirement. This is against the objective of the act which seeks to ameliorate such unnecessary difficulties pensioners are subjected to before getting their benefits. On this note, the study asserts that the implementation of the Act has not adequately ensured that pensioners are not subjected to untold suffering due to inefficient and cumbersome process of pension payment in the FCDA.

Research question III:

Has the implementation of the 2004 Pension Reform Act assisted individuals that lack the capacity to save to cater for their livelihood during old age?

From the presentation made so far on the third research question which seeks to know whether the implementation of the 2004 Pension Reform Act assisted individuals who lack saving ability to save and cater for their livelihood during old age, majority of the respondents (64.4%) affirmed that the 2004 Pension Reform Act has actually provided a good platform to save against old age. only 35.5% i.e. 69 respondent object to this assertion. Further inquiry also revealed that over 63.9% i.e. 125 of the respondents receive below N50, 000. 00 while 36.1% i.e. 70 respondents receive above N50, 000.00. The pensioners however encountered several challenges in meeting their basic needs such as accommodation (37.6%), i.e. 73 respondents; feeding (18%) i.e. 35 respondents; clothing (7.2%), i.e. 14 respondents; and medical bills (52.2%), i.e. 102 respondents. Furthermore, a total of 65%, 127 respondents of the total respondents were able to go into one form of venture or the other with proceeds from

their retirement benefits. Only 35% of the respondents could not invest in any of such ventures. Based on this, it is evident that the implementation of the 2004 Pension Reform Act assisted individuals who lack saving ability to save and cater for their livelihood during old age. However, this does not in any way mean that pensioners are still not subjected to myriads of challenges such as accommodation, feeding, payment of children's' school fees etc.

4.3 Discussion of findings

The implementation of Pension Reform Act 2004 has helped in ensuring prompt payment of pension benefits at the Federal Capital Development Authority. Before the introduction of the Act, retirees under the Defined Benefits Scheme suffered many challenges. These include nonpayment of pension benefits, long waits on queues for many days, omission of pensioners' names from pension payroll, mismanagement of pension funds to mention but few. Delay in payment of pension benefits alters the personal budgets of the retirees, others include non-harmonization of pension with current salary structure, hyper-inflation.

From the responses of the respondents to the question of whether the implementation of the 2004 Pension Reform Act has addressed the problem of nonpayment of pension benefits, 91.75% of the respondents agree that they receive their benefits while 85.6% also agree that they receive their benefits monthly. From these responses, it is therefore clear that the 2004 pension Reform Act has helped in addressing the problems of nonpayment of pension benefits.

Though most retirees of the FCDA are paid their pension benefits as and when due since the implementation of the 2004 Pension Reform Act, many retirees still grapple with the challenges of catering for their needs because the amount paid are grossly inadequate. From

the information gathered from the field, most of the retirees affirmed that the amount they receive as pension benefits are grossly inadequate to meet upkeep needs. Table 4.8 shows the different challenges that the pensioners face ranging from inability to pay for accommodation, feeding clothing and even medical bills. A majority of the respondents (63.92%) receive N50, 000.00 or less as their pension benefits. With the economic situation of the country which has seen a steady depreciation in the value of the Naira, this amount received by many of the retirees becomes grossly inadequate to carter for their livelihood at old age. It is for this reason that a large majority of the respondents maintained that the amount received as pension benefits cannot cater for their family needs.

Most retirees are elderly, hence, are prone to age related challenges. This places a huge medical burden upon them as identified by 52.5% of the respondents in Table 4.12. Also, the challenge of inability to pay for their children's tuition fees places another burden on the retirees as acknowledged by 67.5% of the respondents. Other problems associated with this inadequate pension benefits as identified by the retirees include: lack of capacity to pay for house rent as at when due, and accumulation of personal debts.

Despite the challenges identified by the respondents, they yet affirmed that the 2004 contributory Pension scheme is preferable to the previous Defined Benefit Scheme due to prompt payments of pension benefits. This shows that the act has been largely implemented in the FCDA.

CHAPTER FIVE

SUMMARY, CONCLUSSION AND RECOMMENDATIONS

5.1. Summary

This study attempts to assess the Implementation of the 2004 Pension Reform Act in the Federal Capital Development Authority (FCDA). Chapter one of this study looks at the background to the study. The major problem of the study is the challenge of inefficiency in pension administration and delay in payments of pension benefits which mostly leads to untold hardship on pensioners of FCDA during the Defined Benefits Scheme. Three major research questions were asked flowing from the objectives of the 2004 Pension Reform Act. Based on the research questions, the objectives of the study are: to ascertain the effectiveness of the implementation of the 2004 Pension Reform Act in ensuring prompt payment of pension benefits in the F.D.A; to assess the extent of the implementation of the Act in ensuring that pensioners are not subjected to untold suffering due to inefficient and cumbersome process of pension payment in the FCDA; and, to find out the extent to which the implementation of the 2004 Pension Reform Act has assisted improvident individuals at the FCDA to save and cater for their livelihood during old age. The scope of the study is strictly on implementation of the 2004 Pension Reform Act within a time frame of five years (2014 to 2018).

Chapter two of the study deals with literature review. It unravels the concept of policy implementation, pension and gratuity, and, different pension schemes in Nigeria over the years. There is also empirical literature review on the subject matter which includes works of scholars like Nwafor (2013) who assess the Implementation of 2004 Pension Reform Act on

pensioners' welfare: a study of Nnamdi Azikiwe University Awka from 2004 to 2012. Also is the works of Foloruso (2015) who investigates the effect of 2004 Pension on house hold savings in Nigeria, among others. The Systems Theory of Easton (1953) was adopted for the study. It posits that the political system is a complex system of interaction through which building or authoritative allocation are made and implemented. This involves the complex chain of relationship between, input, demand, support, output, decision, and feedback.

Chapter three looks at the methodology of the study. The study is qualitative in nature and combines survey and documentary research. Data was gathered through primary and secondary sources. Primary data was obtained with the aid of questionnaire and interview while secondary data was gathered through existing documents. A total of 269 retirees of FCDA within the period under investigation serve as the population of the study – the same number represent the sample size of the study. Thematic content analysis was also adopted for the study.

Chapter four of the study deals with data presentation and analyses. It also looks at the major findings and discussion. Among others, the study finds that: the implementation of the Pension Reform Act 2004 has helped in ensuring prompt payment of pension benefits at the Federal Capital Development Authority; and, though most retirees of the FCDA are paid their pension benefits as and when due. Since the implementation of the 2004 Pension Reform Act, most retirees still grapple with the challenges of catering for their needs because the amount paid are grossly inadequate.

Chapter five contains the summary, conclusion and recommendation of the study.

5.2. Conclusion

One of the objectives of this study is to investigate how the implementation of the 2004 Pension Reform Act has helped in ensuring prompt payment of retirement benefits in FCDA. From the result presented so far, a greater majority of the pensioners get their pension benefits as and when due. The results also show that the retirees always get their benefits in full. Hence, this study concludes that the objective of prompt payment of pension benefits have been largely achieved in the FCDA. It is basically on this ground that the retirees prefer the 2004 Pension Reform Act to the previous Defined Benefits Scheme.

The study also seeks to understand the extent to which the implementation of the act has helped in ensuring that FCDA pensioners are not subjected to cumbersome processes of pension payment. Results shows that FCDA pensioners still face some cumbersome processes before enrolment to access their benefits. These range from delay in data capturing, long wait before enrollment, names omission from the data base and the unfriendly treatment by some staff of PFAs. It is on this note that the study concludes that the implementation of the 2004 pension reform act has not out-rightly dealt with the problem of cumbersome processes pensioners face before accessing their pension benefits. This however does not in any way misconstrue the fact that a lot of gains has been made over the previous scheme (Defined Benefit Scheme) where many pensioners perish on queue for their pension benefits.

The study also aimed at finding out the extent to which the implementation of the 2004 Pension Reform Act has assisted improvident individuals at the FCDA to save to cater for their livelihood during old age. Despite the gains of the implementation of the 2004 Pension Reform Act, the study reveals that retirees still struggle with the problems of inability to meet

up with providing for the basic needs of their immediate families. This is consequent upon the fact that the amount contributed is grossly inadequate to cater for the livelihood of retirees at old age. This is further compounded by the depreciating value of the Naira which makes the purchasing power of the retirees very weak.

5.3. Recommendations

This study assessed the implementation of the 2004 Pension Reform Act in the Federal Capital Development Authority. In line with the conclusion reached from this study, the following recommendations are made:

1. Government should enact a legislation which would enable pensioners to receive their pension benefits as and when due.
2. It is very pivotal that the amount contributed as pension on the part of both the employer (government) and the employee are reviewed upwards in order to have reasonable amount to save and cater for livelihood at old age.
3. There should be proper legislative oversight to ensure that laid down rules and regulations are adhered to by Pension Fund Administrators and Pension Funds Custodians so as to save the pensioners of unnecessarily hardship when accessing their pension benefits
4. The government should provide conducive environment for speedy implementation of the 2004 Pension Act.
5. The current salary structure of ₦30,000.00 should be harmonized with the pension of retirees.

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APPENDIX 1

QUESTIONNAIRE

ASSESSMENT OF THE IMPLEMENTATION OF THE 2004 PENSION REFORM ACT IN THE FEDERAL CAPITAL DEVELOPMENT AUTHORITY (FCDA), ABUJA.

I am a student of the Post Graduate Studies, Nasarawa State University, Keffi, embarking on a research on the above mentioned topic in partial fulfillment of the requirements for the award of Master of Science (M.Sc.).

I hereby solicit your cooperation and objective response to the questions provided in this questionnaire. Be rest assured that this is strictly an academic exercise and any information supplied here is going to be treated with utmost confidentiality. Attached herewith is a questionnaire designed to elicit information on the subject matter.

Thanks for your anticipated cooperation.

Yours faithfully,

Ali Peter Abah

Questionnaire

Instruction: Please kindly tick the appropriate space in the questions provided below to responses for the under listed items.

1. Has the implementation of the Pension Reform Act 2004 been effective in ensuring prompt payment of pension benefits to retirees at the Federal Capital Development Authority, Abuja?

a. Yes
b. No

2. In what manner do you receive your benefits?

a. Monthly

b. Between 1 to 3 months

c. Between 3 to s6 months

d. After 6 month

e. Once in a while

3. What days of the month do you regularly receive your pension benefits?

a. 20^{th} to 25^{th}

b. 26^{th} to 31^{st}

c. 1^{st} to 5^{th}

d. 6^{th} and above

4. How do you receive your pension benefits?

a. In full

b. Part payment

c. Both depending on the month

5. Did you face difficult processes before enrolment to access pension benefits after retirement?

a. Yes

b. No

6. What kind of difficulty did you face before enrollment to access your pension benefits?

a. Difficult process of data capturing

b. Long wait before enrollment

c. Omission of names from data base

d. Unfriendly treatment by some personnel of Pension Fund Administrators

7. How long does it take before you start accessing your pension benefits after retirement?

a. One month

b. 2 to 6 months

c. 7 to 12 months

d. One year and above

8. Has the 2004 Pension Reform Act provided a good platform for saving against old age?

a. Yes

b. No

9. What range of pension is paid to you?

a. N20, 000.00 and below

b. N21, 000.00 to N50, 000.00

c. N51, 000.00 to N100, 000.00

d. N101, 000.00 to N150, 000.00

e. N150,000 and above

10. What essentials do you always find difficult for your pension benefits to cover

a. Accommodation

b. Feeding

c. Clothing

d. Medical bills

e. Tuition fees for children

11. What problems do you face while waiting for your pension benefits?

a. Accumulation of personal debt

b. Inability to pay for medical bills

c. Inability to pay for children school fees

d. Inability to pay for accommodation (house rent)

e. All of the above

f. None of the above

12. What venture did you comfortably go into with your retirement benefits?

a. Farming

b. Buying and selling

c. Investment in shares

d. Real estate business
e. None

13. Is the contributory pension scheme truly an improvement on the previous scheme?

a. Yes

b. No

Appendix 2

Interview

1. What problems do you usually encounter while waiting for benefits?

.....

.....

.....

.....

2. What do you think should be done to improve this contributory pension scheme?

.....

.....

.....

3. How do you compare this contributory scheme with the previous Defined Benefits Scheme?

.....

.....

.....

Appendix 3

List of Retired Staff of FCDA

LIST OF RETIRED STAFF OF FEDERAL CAPITAL DEVELOPMENT AUTHORITY, (FCDA)IN 2014

SERIAL NUMBER	PERSONAL FILE NUMBERS OF RETIREES
1	755
2	7156
3	23788
4	9306
5	12954
6	10964
7	693
8	9297
9	10072
10	5320
11	2698
12	2551
13	4823
14	971
15	20087
16	1235
17	26814
18	8684
19	6932
20	1525
21	1739
22	1534
23	318
24	1564
25	1590
26	3031
27	1500
28	6272
29	17766
30	1683
31	1704

32	2006
33	1703
34	1664
35	18573
36	26205
37	17598
38	1718
39	4085

Source: Finance and Account / Contributory Pension Dept. FCDA, August 2019.

LIST OF RETIRED STAFF OF FEDERAL CAPITAL DEVELOPMENT AUTHORITY, (FCDA)IN 2015

S/N	PERSONAL FILE NUMBERS OF RETIREES
1	16952
2	1868
3	16396
4	27978
5	26386
6	1775
7	9834
8	1915
9	28926
10	8801
11	27682
12	8911
13	23189
14	6044
15	18595
16	22492
17	2690
18	2693
19	2694
20	2696
21	2517
22	2423
23	21550
24	2097
25	3718
26	2816
27	3016
28	5310
29	25334
30	3767
31	19467
32	6383
33	3617
34	18246
35	3830
36	11438

37	2067
38	3576
39	7312
40	19303
41	21113
42	9407
43	2067
44	4439
45	17561
46	7821
47	4625
48	25191
49	4663
50	27778

Source: Finance and Account / Contributory Pension Dept. FCDA, August 2019.

LIST OF RETIRED STAFF OF FEDERAL CAPITAL DEVELOPMENT AUTHORITY, (FCDA)IN 2016

S/N	PERSONAL FILE NUMBERS OF RETIREES
1	4729
2	6179
3	9922
4	9337
5	22998
6	5214
7	11430
8	16876
9	29216
10	5082
11	12825
12	21213
13	9292
14	5563
15	5230
16	5681
17	21223
18	10457
19	23050
20	1277
21	6588
22	5659
23	5153
24	11439
25	7075
26	9757
27	5933
28	5700
29	6123
30	10134
31	27383
32	10468
33	5048
34	20643
35	22839

36	11449
37	10330
38	6606
39	10222
40	5554
41	6352
42	2077
43	10411
44	6649
45	5483
46	4728
47	6711
48	10484
49	16953
50	11656
51	7155
52	7136
53	22586
54	16954
55	10439
56	10837
57	23886
58	18379
59	5496
60	7011
61	3572
62	3375
63	4832
64	21207
65	10239
66	8186
67	7314
68	20958
69	25180
70	8637

Source: Finance and Account / Contributory Pension Dept. FCDA, August 2019.

LIST OF RETIRED STAFF OF FEDERAL CAPITAL DEVELOPMENT AUTHORITY, (FCDA)IN 2017

S/N	PERSONAL FILE NUMBERS OF RETIREES
1	9486
2	3325
3	21310
4	9563
5	3572
6	2016
7	8625
8	6028
9	8855
10	8711
11	10873
12	8831
13	21076
14	8791
15	8834
16	15342
17	28482
18	8789
19	8793
20	25521
21	8886
22	8936
23	10416
24	2142
25	9070
26	8892
27	8202
28	8941
29	10005
30	10871
31	8917
32	9002
33	9523
34	18543
35	9115
36	27309

37	9156
38	9140
39	9137
40	17704
41	9273
42	18240
43	9275
44	9260
45	9164
46	4345
47	18183
48	21273
49	5243
50	10095
51	9636
52	9654
53	9644
54	9712
55	9633
56	9671
57	11442

Source: Finance and Account / Contributory Pension Dept. FCDA, August 2019.

LIST OF RETIRED STAFF OF FEDERAL CAPITAL DEVELOPMENT AUTHORITY, (FCDA) IN 2018

S/N	PERSONAL FILE NUMBERS OF RETIREES
1	9832
2	9748
3	9827
4	24697
5	9797
6	20770
7	23075
8	9778
9	20749
10	18368
11	9882
12	9941
13	9944
14	9940
15	9844
16	9849
17	22653
18	9923
19	9870
20	24760
21	21066
22	17004
23	17034
24	23452
25	22220
26	28443
27	5139
28	10018
29	23123
30	17721
31	28881
32	29078
33	25047
34	10091

35	10070
36	10100
37	10317
38	25045
39	12682
40	28571
41	10054
42	22741
43	22616
44	28989
45	28989
46	10138
47	22595
48	23519
49	16998
50	16494
51	17674
52	22711
53	25787

Source: Finance and Account / Contributory Pension Dept. FCDA, August 2019.