



NATIONAL PENSION COMMISSION

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C I R C U L A R

The Chief of Staff to the President,
The Deputy Chief of Staff to the Vice-President,
Honourable Ministers,
The Secretary to the Government of the Federation,
Head of Civil Service of the Federation,
Special Advisers,
Service Chiefs/Inspector-General of Police,
Chairman, Federal Civil Service Commission,
Permanent Secretaries and Heads of Extra-Ministerial Departments,
Directors-General and Chief Executives of Parastatals,
The Clerk of the National Assembly,
The Secretary, National Judicial Council,
The Secretary, Federal Judicial Service Commission,
The Auditor-General for the Federation,
The Accountant-General of the Federation.

EXEMPTION UNDER THE CONTRIBUTORY PENSION SCHEME

We write to inform you that the Commission has received several enquiries concerning exemption of employees under the Contributory Pension Scheme in the Public Service of the Federation. Some of these include officers that had three years(3) or less to retire as at the commencement of Pension Reform Act 2004 or those who retire before the age of sixty(60).

2. Your attention is kindly drawn to the legal interpretation of the provisions of Section 8(1) of the Pension Reform Act 2004 by the Office of the Attorney-General of the Federation that only those employees who, at

the commencement of the Act, had 3 years or less to mandatory retirement age or length of service are exempted from the Contributory Pension Scheme. In other words, any employee who had attained the age of 57 years or had put in a minimum 32 years of service as at the end of June 2004, when the Act came into effect, is exempted from the Contributory Pension Scheme.

3. Consequently, any employee who voluntarily withdraws his/her services before the mandatory retirement age of 60 years or 35 years of service is not exempted from the Contributory Pension Scheme and the payment of his/her retirement benefits shall be handled in accordance with the provisions of the Pension Reform Act 2004.


4. As part of the transitional arrangements, the accrued pension rights including gratuity of public servants who have put in a number of years of service before the commencement of the Pension Reform Act 2004 have been actuarially computed by the Commission. The Federal Government Retirement Bonds will be issued, in due course, to such employees in line with the provisions of the Act. Therefore, the benefits of the employees upon their retirement shall consist of the proceeds of the redemption of the Retirement Bonds and their pension contributions made under the new scheme.

5. Please kindly ensure that your Ministry, Department, Agency or Parastatal complies with this circular and bring same to the attention of your staff, so as to guide them accordingly.

6. All enquiries should be directed to:

Director-General
National Pension Commission
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Abuja

Tel.: 09 – 4138736 ext. 1063


M. K. Ahmad
Director-General