



NATIONAL PENSION COMMISSION

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CIRCULAR

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TO: All Pension Fund Administrators

**SUBJECT: MINIMUM REQUIREMENTS FOR OPENING OF BRANCHES
BY PENSION FUND ADMINISTRATORS**

1.0 INTRODUCTION

- 1.1 In order to ensure that all RSA holders have access to the services offered by Licensed Pension Fund Administrators (PFAs) the Commission has made the opening of two (2) branches in cities other than Abuja, Lagos, and Port-Harcourt a requirement before any PFA is granted License.
- 1.2 However, since the Commission did not elaborate further on this requirement, there has always been the risk that some operators will only put sign posts in front of empty offices thereby defeating the intentions of the Commission. Consequently, it has become imperative to define minimum prerequisites that must be met before any branch is approved for a PFA.
- 1.3 To address this issue, the Commission has approved the following minimum prerequisites to be met by all branch offices of PFAs prior to approval by the Commission.

2.0 SERVICE CENTER VS BRANCH

- 2.1 A service center is a sales office whose main purpose is marketing the PFA and receiving customer complaints. A service center therefore, could be a table in a banking hall or an employer's premises. A branch on the other hand is a fully equipped office dedicated to providing a wide variety of services that are available at the Head office (see section 3.0 for the detailed list of such services).
- 2.2 Presently, what most PFAs present as branches are actually service centers.

3.0 SERVICES TO BE MADE AVAILABLE AT BRANCH LEVEL

- 3.1 The following services should be available at the PFAs' branches.
- i. Enrollment including generation of Personal Identification Numbers (PIN)
 - ii. Issuance of statements of accounts to RSA holders'
 - iii. Call centre/ customer service
 - iv. Pension Administration (collection of employer schedules for reconciliation with PFC etc)
 - v. Benefit Administration
 - vi. Marketing/RSA holders' education

4.0 HUMAN RESOURCE REQUIREMENTS

- 4.1 A branch would be required to have a minimum of three staff to cover the functions outlined above effectively. One of the staff should have IT background/experience while the most senior among them should have the added responsibility for the overall supervision of the branch.

4.2 The following staff allocation along functional lines is proposed:

S/N	NO OF STAFF	FUNCTIONS
1	1	Enrollment, Issuance of statement of accounts and Call center
2	1	Pension administration and Benefit administration
3	1	Marketing and RSA holder education

5.0 ICT REQUIREMENTS

- i. Remote connection to Head Office to enable real time, online transactions between the branch and Head office;
- ii. 3 PCs (Pc to staff ratio -1:1);
- iii. Peripherals (2 Printers, and 3 UPS);
- iv. Security firewall;
- v. Modems and routers;
- vi. Enterprise antivirus;
- vii. Call centre system;
- viii. Generator; and
- ix. Fire extinguishers.

6.0 BUDGET

- 6.1 It is essential to ensure that a PFA has enough funds before it is given approval to open a new branch.
- 6.2 Consequently, a PFA must have working capital to cover six months operational expenses after the budget for the proposed branch had been deducted from its “free fund” (i.e. shareholders fund less investment in fixed assets and long term investments) before it would be granted approval to open a new branch.

7.0 APPROVAL PROCESS

- 7.1 Any PFA desirous of opening a branch would be required to formally apply to the Commission for approval. The application should be accompanied by a feasibility study which should provide amongst others the following information:

- i. Location of the branch with detailed address;
- ii. Staffing;
- iii. IT infrastructure; and
- iv. Budget/means of financing the branch.

7.2 Once approval is granted the PFA would be required to up-date its web site, letter heads and other public information materials and forward evidence of same to the Commission.

All enquiries regarding this Circular should be directed to the undersigned.

Thank you.



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Head, Surveillance Department