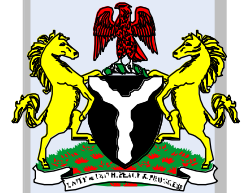


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# GUIDELINES FOR THE OPERATIONS OF PENSION TRANSITIONAL ARRANGEMENT DEPARTMENTS

*RR/P&R/09/01*

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**National Pension Commission**

## About this Guidelines

The Guidelines for the Operations of Pension Transitional Arrangement Departments is divided into ten (10) sections.

Section one and two gave a brief on the background of the establishment of the Pension Transitional Arrangement Departments (PTADs) as provided in the Pension Reform Act, 2004 and the objective of the Guidelines, respectively.

Section three and four also, set out the structure of the PTAD and its functions respectively.

The type of books and records the Departments must maintain was addressed in the fifth section.

Also, the minimum measures to be considered in the application of Next-of-Kin were discussed in section six.

Section seven and eight addressed the minimum ICT requirements and the type of returns to be rendered by the Departments.

The verification exercise for the pensioners and the procedure for handling pensioners' complaints were discussed in sections nine and ten respectively.

The requirements of these Guidelines are consistent with the provisions of the Pension Reform Act, 2004 and are also considered enforceable within the Industry.

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## GUIDELINES FOR THE OPERATIONS OF PENSION TRANSITIONAL ARRANGEMENT DEPARTMENTS

### 1.0 Background

1.1 Section 30 of the Pension Reform Act, 2004 established for the Public Service of the Federation and the Federal Capital Territory, Pension Departments to be known as the Pension Transitional Arrangement Departments (PTAD). The PTAD is to be made up of the existing pension boards or offices in the Public Service of the Federation and the Federal Capital Territory, Abuja.

1.2 In the case of the Federal Government, the Act in Section 30(2)(a) and 31(1)(a) specifies that the Departments shall consist of the existing Pension Boards or Offices of the Public Service of the Federation, viz:

- i) the Civil Service Pension Department;
- ii) the Military Pension Department;
- iii) the Police Pension Department;

iv) the Customs, Immigration and Prisons Pension Department; and

v) the Security Agencies Pension Department.

### 2.0 Objective

2.1 The objective of this document is to set out guidelines for the establishment and supervision of the Pension Transitional Arrangement Departments by the National Pension Commission. It also sets out the structure of the Pension Departments, functions of the Departments, the types of books and records the Departments must maintain, the minimum measures to be considered in the application of Next-of-Kin, minimum ICT requirements, type of returns to be rendered by the Departments, the verification exercise for the pensioners, the procedure for handling pensioners' complaints and the payment of pension to the pensioners.

- 3.0 **Structure of the Pension Departments** Federation and FCT, Abuja and shall in particular;
- 3.1 The Pension Reform Act, 2004 in Section 30(2), provides for the establishment of Pension Transitional Arrangement Departments (PTADs), for the Public Service of the Federation and the Federal Capital Territory (FCT).
- 3.2 There shall be six (6) PTADs for the Public Service:
- i) the Civil Service PTAD;
  - ii) the Military PTAD;
  - iii) the Police PTAD;
  - iv) the Customs, Immigration and Prisons PTAD;
  - v) the Security Agencies PTAD;
  - vi) the Federal Capital Territory PTAD;
- 3.3 The Departments shall retain their current structure and function as presently constituted.
- 4.0 **Functions of the Pension Departments**
- 4.1 The Departments shall carry out the following functions as specified in Sections 32 & 33 of the Act:
- i) Carry out the existing functions of the relevant Pension Boards or Offices in the Public Service of the
- ii) Make budgetary estimates for existing pensioners and the officers exempted from the Scheme established by the PRA 2004 under Section 8;
  - iii) Receive budgetary allocations from the Government and make payments to pensioners as and when due;
  - iv) Ascertain deficits in pension payments, if any, to existing pensioners or the category of officers exempted under Section 8 of the Act;
  - v) Pay gratuity and pension to the existing pensioners and the category of officers exempted under Section 8 of the PRA 2004;
  - vi) Carry out such other functions aimed at ensuring the welfare of pensioners as the Commission may, from time to time, direct; and

- vii) Render returns on its activities to the Commission.

- i) Information outlined in 5.1 i) to x) above
- ii) Passport photograph of pensioners
- iii) Passport photograph of next-of-kin.

## 5.0 Books and Records

5.1 The Departments shall maintain adequate books and records of transactions with a view to reflecting a true state of affairs for any given period of time. Specifically, they shall maintain the following records:

### 5.1.3 Employment Records

The database and pensioner's file shall also contain the following employment records:

#### 5.1.1 Biometric Information

- i) Name of pensioner
- ii) Pension Identity Number
- iii) Sex
- iv) Date of birth
- v) Address of pensioner
- vi) Finger print of pensioner
- vii) Digital photograph of the pensioner
- viii) Name of Next-of-Kin
- ix) Address of Next-of-kin
- x) Relationship with Next-of-Kin.

- i) Date of employment
- ii) Date of retirement
- iii) Ministry/Agency/Organization code.

### 5.1.4 Financial Records

In addition to the above, each Pension Department shall maintain up-to-date financial records. In the minimum, the records shall include the following information:

#### 5.1.2 Individual files

In addition to the database, each Pension Department shall continue to maintain individual files for each pensioner. The file shall contain the following information:

- i) Monthly pension
- ii) Pension arrears (if any)
- iii) Date of last payment of pension
- iv) Gratuity in arrears (if any)
- v) Date due for payment
- vi) Bank account.

### 5.1.5 Other Records

Detailed records shall also be maintained on the following:

- i) Annual budgets submitted
- ii) All budgetary allocations received by the Pension Department
- iii) All expenses of the Department
- iv) Pensioners' payroll on a monthly basis
- v) Pensioners' complaints register.

## **6.0 Next-of-Kin (NOK)**

6.0.1 The issue of next-of-kin is considered germane and therefore, to avoid the attendant problems related to it, each Pension Department shall adopt the following minimum measures:

- i) Regularly educate their staff to choose and update their next-of kin.
- ii) Embark on Public Enlightenment and sensitization to the Pensioners on choosing & updating their NOK (Pension Departments are, at the

minimum, expected to circularize information to their pensioners bi-annually).

- iii) Where a deceased pensioner did not choose his next-of-kin or died intestate, an authentic letter of administration obtained from the Probate Registry shall be used to pay his next-of-kin or personal representative.
- iv) Constitute a dispute resolution committee to resolve and determine the legitimate next-of-kin of a deceased pensioner, especially when there is a controversy on the issue.

## **7.0 Minimum ICT Requirements**

7.1 For the Pension Departments to function effectively, the under listed minimum ICT requirements shall be available in all the Pension Departments.

7.1.1 Hardware:

- i) 3.2 GHZ Xeon L2 Cache  
800MHZ
  - ii) 10 GB Ram
  - iii) 2 X 10 X 100 X 100 NIC  
(Embedded)
  - iv) Ultra 320 Raid 1/5 Controller  
W/64M Cache
  - v) Hot Pluggable Drive bays,  
Redundant fans
  - vi) Photo Capturing Device
  - vii) Finger Print Device (WSQ  
Compatible)
- 7.1.2 Software:
- i) Window 2000 Server
  - ii) Any Relational database  
Mgmt Software that is ODBC  
compatible
- 7.1.3 Internet for Communication
- 8.0 Returns Rendition**
- 8.1 The Departments shall render the following returns to the Commission:
- i) Returns on existing pensioners – to be submitted at the on-set as a one-off return
  - ii) Monthly Returns on deceased pensioners, with details of their respective next-of-kins
- iii) Quarterly returns on all exits (through disabilities other than deaths)
  - iv) Monthly Returns on Pension Payments, indicating number of pensioners paid and amounts
  - v) Returns on verification exercise conducted on pensioners (if applicable).
- 8.2 In addition to the above returns, the PTADs shall be required to submit the following information to the Commission:
- i) A copy of the yearly Budgetary Estimates sent to the Budget Office. Such submission shall be done simultaneously with the submission to the Budget Office.
  - ii) A copy of the Actuarial valuation of liabilities – once every 4 years.
- 9.0 Pensioners Verification**
- i) In carrying out the functions specified in 4.1 (iv) above, the Commission shall ascertain

- the exact number of pensioners under each of the existing Departments. To this end, the pensioners' database from the recent verification exercise (currently in possession of Quanteq) shall be used as the authentic list of pensioners under each PTAD.
- ii) The Commission shall render both technical and consultative assistance to the Departments in defending and securing approval for their annual budgetary allocation from the Government.
- 10.0 **Pensioners' Complaints**
- 10.1 To address the numerous pensioners' complaints that bother on issues such as non-payment of monthly pension, short payment of pension and gratuity, removal of name on pension payment voucher, non-payment of harmonized pension arrears, irregular payment of federal pensions and non receipt of pension after retirement, etc, the Pension Departments shall, at the minimum, adopt the following measures:
- i. Keep pensioners' complaints record i.e. logging of the complaints.
- ii. Acknowledge receipt of the pensioners' complaints letters received directly from pensioners and the Commission, within two weeks of receipt.
- iii. Periodic visit of the Commission to the Departments to reconcile issues on the pensioners' complaints, periodicity to be determined by the Commission.
- iv. Appoint liaison officers to relate on pensioners' complaints with the Commission.
- 10.2 The Pension Departments shall maintain:
- i) Register for resolved pensioners' complaints
- ii) Register for unresolved pensioners' complaints
- 11.0 **Pension Payments**
- 11.1 In view of the challenges faced by the Pension



- Departments on the issue of settlement of backlog of pension arrears, Pension Departments shall forward to the Commission details of their pension arrears.
- 11.2 To facilitate the process of obtaining budgetary approval for the Pension Departments, they shall provide the Commission copies of their annual budgetary estimates, including adequate details.
- 11.3 The submission as stipulated in item 11.2 above should reach the Commission not later than 7 days after the Pension Departments might have made presentations to the appropriate bodies.
- 12.0 Review and Enquiries**
- 12.0 These guidelines shall be subject to review by the Commission from time to time as the need arises.
- 12.0 All enquiries regarding these guidelines shall be directed to the Director General, National Pension Commission.

**January, 2009**