



NATIONAL PENSION COMMISSION

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CIRCULAR

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DATE: 30 April, 2009

TO: The Principal Secretary to the President, C-in-C
Principal Secretary to the Vice President
Honourable Ministers
The Secretary to the Government of the Federation
The 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 Auditor General for the Federation
The Accountant General of the Federation

SUBJECT: PROCEDURE FOR THE PROCESSING OF DEATH BENEFITS CLAIMS OF DECEASED FEDERAL GOVERNMENT EMPLOYEES

This is to bring to the attention of all Ministries, Departments and Agencies (MDAs) that *Section 9(3)* of the Pension Reform Act (PRA) 2004 requires all employers to maintain Life Insurance Policy in favour of the employee for a minimum of three times the annual total emolument (ATE) of the employee.

2. Before the commencement of the implementation of the policy by the Federal Government, the National Pension Commission had, at the request of the Budget Office of the Federation (BOF), through a circular ref. no. DG./BDT./GEN./COR./PA/VOL.II/909 of 3 November, 2006, been

processing the claims of the deceased FGN employees which were submitted directly by the MDAs.

3. With the implementation of the Life Insurance Policy by the Office of Head of Civil Service of the Federation and other relevant Agencies, notice is hereby given that, with effect from 1 January 2009, the Commission has ceased to process death benefits claims. Consequently, all MDAs are advised to note the following procedures in processing such claims forthwith:

- i. All requests for death benefits claims should be reported by the Pension Desk Officer/MDA to their Supervising Authorities. For example, OHOSF for MDAs and other civilian employees of the Federal Government, Defence Headquarters (DHQ) for Armed Forces personnel and Police Headquarters for Police Officers.
- ii. The Supervising Authorities would liaise with the insurance companies underwriting the life insurance policies and ensure that the life insurance proceeds are remitted to Retirement Savings Account (RSA) of the deceased staff;
- iii. The Next of Kin (NOK)/MDA should liaise with the Pension Fund Administrator (PFA) of the deceased for processing of terminal benefits i.e. payment of amounts due for service prior to June 2004 and payment of outstanding contributions and other balances into the RSA.
- iv. For deceased persons who did not open RSA before their death, the NOK should approach any PFA of their choice to open a Death Benefit Account (DBA) through which such accrued pension rights and proceeds of Life Insurance Policies would be paid. Such NOK should present the following documents to the PFA to open DBA:
 - a. Medical Certificate of Death/Cause of Death;
 - b. Certificate of Registration of Death (if available);
 - c. Police Report (if death is by accident);
 - d. Letter of Administration or Will submitted to Probate; and
 - e. Declaration of Wish/Evidence of Nomination of NOK
 - f. Means of identification of NOK (Drivers license, National ID and International Passport)
- v. The NOK shall, thereafter forward the DBA number, Name of PFA/PFC's bank account details to the deceased's MDA or supervising authorities to facilitate remittance of proceeds of Life Insurance policy.

4. All proceeds of Life Insurance Policy must be paid into the RSA of the deceased persons or DBA opened by the NOK.

5. Please note that it is an OFFENCE under the Pension Reform Act 2004 for any organization/agency to pay the proceeds of Life Insurance Policy or its equivalent directly to the NOK/beneficiaries.

6. Please be guided accordingly.



M. K. Ahmad
Director-General