



NATIONAL PENSION COMMISSION

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CIRCULAR

REF: PenCom/INSP/Surv/2024/001

DATE: 10 June 2024

TO: All Licensed Pension Fund Operators

SUBJECT: CIRCULAR ON EMERGING MATTERS IN THE PAYMENT OF VOLUNTARY CONTRIBUTION UNDER THE CONTRIBUTORY PENSION SCHEME

- 1.0** Section 3.17 of the Guidelines on Voluntary Contribution Under the Contributory Pension Scheme (the Guidelines) stipulates, "All Voluntary Contributions made by the active or mandatory contributors shall be retained in the RSA for a minimum of 2 years before access".
- 2.0** Section 3.20 of the Guidelines provides that the 2-year rule does not apply to the categories of contributors mentioned in Clauses 2.3 to 2.7 of the Guidelines.
- 3.0** Section 3.21 of the Guidelines provides that voluntary contributions for the eligible contributors mentioned in Clauses 2.3 to 2.7 of the Guidelines shall be retained in the RSA and accessed only at the expiration or termination of their contract.



4.0 Section 3.29 of the Guidelines provides that tax deductions shall be based on both income earned and principal amount when the withdrawal is made less than five (5) years from the date of the contribution for the exempted, foreigners, retirees under the defunct Defined Benefits Scheme and retirees under the Contributory Pension Scheme (CPS).

5.0 The Commission has reviewed the submissions from the Pension Fund Operators Association of Nigeria and contributors concerning the above provisions of the Guidelines and approved as follows:

A. Mandatory and non-mandatory contributors may access the contingent portion of the voluntary contributions after one (1) year from the date the voluntary contribution was made.

B. Retirees, exempted contributors, political office holders, employees in an organisation with an Approved Existing Scheme (AES), and foreigners may withdraw 50% of the voluntary contributions as contingent withdrawal before their employment/contract expires.

C. As provided in Section 10 (4) of the Pension Reform Act (PRA) 2014, any income accrued on voluntary contributions shall be taxable in accordance with relevant tax laws where the withdrawal is made before the end of five (5) years from the date the voluntary contribution was made for mandatory and non-mandatory contributors.

D. Pension Fund Administrators are required to submit the documents specified for contributors under categories a to f below to the Commission in their request for a “No Objection” to pay the contingent portion of voluntary contributions to the contributors:

**Category a - ACTIVE CONTRIBUTORS UNDER CPS,
INCLUDING THOSE UNDER CPFA AND AES WHO WERE
EMPLOYED BEFORE JUNE 2014 THAT ARE YET TO
TRANSIT TO CPS**

- i. Letter of Employment evidencing that the employee is still in service
- ii. Current pay slip or any other evidence of total annual emolument
- iii. Voluntary Contributions Withdrawal Form: To be filled by the applicant
- iv. RSA statement to be provided by the PFA
- v. Any other relevant document, as may be specified from time to time by the Commission

**Category b - RETIRED CONTRIBUTORS UNDER CPS
WHO SECURED ANOTHER EMPLOYMENT**

- i. Letter establishing the commencement date of the employment
- ii. Retirement Letter from the previous employment
- iii. Current pay slip or any other evidence of total annual emolument
- iv. RSA Statement to be provided by the PFA



- v. Any other relevant document, as may be specified from time to time by the Commission

Category c - RETIRED CONTRIBUTORS UNDER DEFINED BENEFIT SCHEMES INCLUDING THOSE UNDER CPFA AND AES, EMPLOYED BEFORE JUNE 2014, WHO SECURED ANOTHER EMPLOYMENT

- i. Letter establishing the commencement date of the employment
- ii. Retirement Letter from the previous employment
- iii. Current pay slip or any other evidence of total annual emolument
- iv. 3 Months Bank Statement: Indicating payment of monthly pension from the previous employment
- v. RSA Statement to be provided by the PFA
- vi. Any other relevant document, as may be specified from time to time by the Commission

Category d - CATEGORIES OF PERSONS EXEMPTED FROM THE CPS

- i. Employment Letter
- i. Last three (3) pay slips or any other evidence of total annual emolument
- ii. Any other relevant document, as may be specified from time to time by the Commission



Category e – FOREIGNERS WORKING IN NIGERIA AND MAKING VOLUNTARY CONTRIBUTIONS UNDER THE CPS

- ii. Employment Letter
- iii. Valid Combined Expatriate Residence Permit and Alien Card (CERPAC)/Green Card issued by the Nigeria Immigration Service. The card is valid for two years and renewable; therefore, the applicant shall provide the valid card within two years
- iv. Valid International Passport (copy of the data page)
- v. Introduction letter from the Embassy/Consulate of the applicant confirming his/her nationality
- vi. Current pay slip or any other evidence of total annual emolument
- vii. RSA Statement to be provided by the PFA
- viii. Any other document, as may be specified from time to time by the Commission

Category f - PARTNERS OF FIRMS/MEMBERS OF RELIGIOUS BODIES AND NON-EXECUTIVE DIRECTORS OF COMPANIES WHO ARE PARTICIPATING IN THE CPS

- i. Appointment Letter
- ii. Evidence of income



- iii. RSA Statement to be provided by the PFA
- iv. Any other relevant document, as may be specified from time to time by the Commission

6.0 This Circular takes immediate effect.

All enquiries regarding this Circular should be directed to the under signed.

Thank you.



A.M Saleem
Ag. Head, Surveillance Department