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A PERISCOPE VIEW OF THE PENSION SCHEME ADMINISTRATORS IN NIGERIA

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Abstract
Due to the inefficiency of pension managers and administrators is scared of a future of retirement without a pension. The study made use of primary and secondary data in order to ascertain the appraisal of operational efficiency of the pension scheme administration in Nigeria. A descriptive survey research design was used and Taro-Yamani sampling technique was also used in determining the sample size. However, 400 questionnaires were administered while 385 copies were returned and the study was based on the 385 copies that were returned from selected respondent. The results indicated that there are no significant reason for delays in the payment of pensions and gratuity of retired workers in Nigeria, that there are significant major institutional structures that made the old pension system not very effective in Nigeria. The study concludes that a well organized pension scheme that will ensure prompt payment of retirees and pensioners is highly desirable and this must be rigorously pursued by government. The study therefore recommends among others: Pensioners should not be restricted by age in order to enjoy their pension benefits in their Retirement Savings Account (RSA) since it's now a contributory scheme. The retirement provision of 35 years of service or 60 years of age whichever comes first (as contained in the Pension Act 1990) should be retained to create employment in the public service.

Introduction

Pension as a system of social security has over the years been receiving a tremendous attention from many countries of the world. Providing a means of sustenance even after retirement is a huge task that attracted the consciousness of many policy makers in the pension industry. "Pension is one of the indispensable form of employees" solid benefits which has positive impact on employees discipline, loyalty and willingness to remain in service of an employer, commitment to attain an organizational goals and concern for survival of the organization" (Fapohunda, 2013). These may be their reasons why Nigeria, a country that has a pool of ageing. Population is not left behind in the quest of providing a means of livelihood for its workforce after retirement. "Right from the colonial era, the country has promulgated different laws regarding retirement planning which gave both to different pension systems and eventually, the 2004 pension reform act. Before the promulgation of the 2004 reform act, the pension system is so fragmented and problematic with retirees always confronted with long queues and sorrowful hardships. Though one cannot in anyway asset that the 2004 pension reform has diagnosed and remedied most of the problems of the old pension scheme but still, it addressed many challenges encountered by it. It was the contributory nature of the new reform that paved the way for the creation of the pension fund administrators licenced by the National Pension Commission and vested with responsibilities of managing and investing the contributions of employees among other responsibilities. Meanwhile the appropriate and timely manipulation of human and material resources in achieving desired output is what will entail the efficiency in the administration of the Pension Fund Administrators (PFAs).

Paper Problem

Pension administrators has been saddled with a lot of problems in Nigeria over the years. The old pension scheme has been unfunded and grossly mismanaged, and this consequently brought a lot of untold hardships and sufferings to pensioners. Hence, retirement benefits in form of pension and gratuities were not paid to retired workers as and when due. This scenario resulted in accumulation of large retirement benefits which were owed to retirees. Subsequently, many of the beneficiaries had to wait for several months and in some cases many years as in the case of the University of Nigeria for the payment of their gratuity and annuity the overall consequence is that marry retired workers died out of frustrations, and lack of funds to maintain their lives, especially old age when they could no longer engage in any meaningful job. Many existing pension administrators could no longer live up to expectations as the hope of many pensioners were dashed. In order to bring this problem to the barest minimum, the federal government in 2004, passed a bill to reform the entire system of pension administrators in Nigeria, but still, the method, mode and system of pension administration have not been improved.

Types Of Pension

These are: Returning pension, compensatory pension; superannuating Pension; and Compassionate pension.

Returning Pension is usually given to a worker who reaches the requirement of retirement that is after reaching a period of quality service usually 35years or by attaining 60 years mostly for public service in Nigeria.

Compensatory Pension is provided to workers whose permanent working post is nullified and failure of government to provide him with desirable employment.

Superannuating Pensions: This is provided to an employee that retires at a stipulated age limit stated in the condition of service.

Compassionate Pension/Allowance: This happens when pension is not admissible or allow on account of a public servants removal from service for misconduct, insolvency, or incompetence or inefficiency. Anujin (as citied in Ayegba, James and Odoh, 2013, p.99).

PENSION REFORM ACT (PRA) 2004

"From 1981 to 2007, more than thirty countries world-wide fully or partially replaced their pre-existing pay-as-you-go pension systems with ones based on individual, private savings accounts in a process often labelled "pension privatization" (Orenstein, 2011) Alo (as citied in Ajiboye, 2011) stated that "many countries of the world are currently grappling with pension reforms in the face of pressures from ageing populations". However, Nigeria was not left behind in the struggle for a new pension scheme that can be Contributory Pension Scheme (CPS) in other to replace the old defined benefit (Pay-As-You-Go) system (Guru and Tsado, 2012), to Edoghanya (2013), the Pension Reform Act 2004 was also established to address the manifested loopholes in the old defined benefit pension scheme and provide adequate resources to retires after retirement from the service. It established a uniform pension scheme and system for both the public and private sections respectively (Guru and Tsado, 2012).

Objectives Of The 2004 Pension Reform.

The new pension reform has some objectives that it needed to achieve. The pension reform act (2004) specified three broad objectives of the reform. These are ensure that every person who worked in either the public service of the Federation, Federal Capital Territory or private sector receives his retirement benefits as and when due; assist improvident individual by ensuring that they save in order to cater for their livelihood during old age, and establish a uniform set of rules, regulations and standards for the administration and payments of the retirement benefits for the public service of the Federation Federal Capital Territory and the Private Sector.

Comparison Between The Old And New Pension Scheme

"One major distinction between a Defined Benefit (DB) Pension Scheme and a Defined contributory (DC) Scheme is that in the former, the scheme sponsor, usually the government or employer set aside funds to provide retirement benefits while in the later, retirement benefits are financed by individual and collective savings" (Guru and Tsado,).

Table 2.0: Comparison Between the Old and New Pension Scheme.

Characteristics	**Old scheme**	**New scheme**
Type	Largely Defined Benefit	Defined Contribution
Funding	Mostly Unfunded	Contributory and Fully Funded
Membership	Voluntary in Private Sector	Mandatory for all employees in both sector
Pension Portability	Not Portable	Personalized and very Portable
Management	Largely State and Management Union	Private Sector and Individual Choice
Retirement benefit	Discriminatory	Uniform application
Supervision	Fragmented and unregulated	Strictly regulated by PENCOM.
Pension Liability	Implicit & Transparent	Implicit & not transparent
Tax exemption	Limited	Contribution and retirement

Insurance policy	Voluntary and mostly in private	Mandatory and for all employers
Dismissal from	No pension benefit	Full pensions rights
Collateral for loans	Benefits could be used as collateral	Benefits cannot be used as collaterals.
Deduction from Benefits	Benefits can be subjected to	Contents of RSA can be used for payment of retirement.
Claiming	Cumbersome	Straight forward
Minimum service year	General 5 years for gratuity and 10 years for pension	Month of employment for all benefits subject to minimum
Gratuity	Provided for those	Provision for lump sum
Risk Management	No Provision	Adequate Provision

Source: Ahmad, M.K (as cited in Odia and Okoye, 2012, P.14)

From the above table, one can identify a number of distinctions between the old and the new pension scheme. It shows that the management of pension fund is largely by the state and management union in the old scheme whereas in the new scheme, the pension scheme is privately managed i.e. by the Pension Fund Administration etcetera. And also the choice of the Pension Fund Administration virtually rest on the individual employee.

Efficiency Of The Scheme

There is always the need for competent and resourceful hands to manage the available resources in such away and manner that input will weigh less than the output. Waste culmination and timely production of goods and services is a most need to virtually every result oriented organization. As such the concept of efficiency arises. “Efficiency generally describes the extent to which time, effort or cost is well used for the intended task or purpose. Scholars however categorized efficiency into different types, some of which are.

i. Allocative Efficiency
ii. Technical Efficiency
iii. Economic Efficiency;
iv. Administrative Efficiency.

Allocative Efficiency: Allocative Efficiency refers to the choice of an optimum combination of inputs consistent with the relative factor prices (Biafran, Alimin, Banuira and Ajenole, 2010 P.200). to Quattara (2012) “the allocative efficiency is necessary if the firm maximizes its profits or minimizes its cost at a given level of production”.

Technical Efficiency: Shows the ability of firms to employ the “best practices” in an industry, so that no more than the necessary amount of a given set of inputs is used in producing the best level of output” (Carson as cited in Biafran, Alinuru, Banura and Ajemole, 2010).

Economic Efficiency: Economic efficiency is a product of both the technical and the allocative efficiencies (Quattara cited in farrell, 2012), Quattara (2012) “It refers to the concept of productivity, performance, quantity and profit on the one hand, and of the reduction of the total strength employed and of the costs on the other hand”

Administrative Efficiency: Administrative efficiency is the capacity of an organization, institution or business to produce desired results with minimum expenditure of the energy, time, money personnel, materials etc.

Conditions For Pension And Gratuity

According to the pension act of 1979, Pension and Gratuity shall be granted to any office in any of the following circumstances.

1. On voluntary retirement after qualifying service often years up to 31st March 1977, fifteen years as from 1st April 1977, and 10years as from 1st June 1992.
2. On compulsory retirement at the age of 60years and 35years service, whichever is earlier.
3. On compulsory retirement for the purpose of facilitating improvement in the organization of the officers department or ministry so that greater efficiency or economy may be effected.
4. On the advice of a properly constituted medical board certifying that the officer is no longer mentally or physically capable of carrying out the functions of the office.
5. On total or permanent disablement while in the service.
6. On abolition of his office as a result of a re-organization in the department and he cannot be transferred to another office.
7. If he is required by the public service commission of the Federation retire on the ground that his retirement is in the public interest.
8. To take up appointment in a local government or as a member or head thereof with the prior content of the minister, if the minister is satisfied that such retirement is in the public interest.

Where an officer retires after 1st June, 1992 pursuant to conditions (1) (7) above;

i. If he has completed 5 years but not up to 10years service, he shall be entitled only to a gratuity.
ii. If he has served for not less than 10years, he shall be entitled to pension.
iii. If he is required to retire after 10 years qualifying service pursuant to the provisions of paragraph (3) to (7) above, he shall be entitled to pension immediately on retirement, notwithstanding that he has not attained the age of 45years (as quoted in Johnson: 1992:99100).

History Of Pension Administration In Nigeria

The first pension legislation in Nigeria was enacted in 1951 by the British colonial administration, which was known as the pension ordinance with retrospective effect from 1st January, 1946. The pension which was initially designed for colonial officers who moved from one post to another in the large British Empire was to ensure their continuity of service wherever and whenever. They were deployed to serve the colonial administration. Pension was therefore not a prerogative for Nigerians under the ordinance. However, when the law eventually became applicable to Nigerians, the Governor General had to use his discretion in order to redress this, a new Pension Act was enacted in 1979; retroactively effective from 1st April, 1974. The Act consolidated all enactments on pensions and incorporated pensions and gratuity scales designed for public officers by the Udorji Public Service Review Commission in 1974. It also became the basic pension law firm which other pension laws in the public service of Nigeria emerged.

On the other hand, the regulated private sector pension scheme in Nigeria began in 1961 with the establishment of the National Provident Fund (NPF), which was, established by an Act of Parliament in 1961. Its main purpose was to provide income loss protection for employees as required by the International Labour Organization (ILO), social security (Minimum Standards) conventions 102 of 1952. The scheme, however, covered only employees in the private sector, and the monthly contribution was 6% of basic salary subject to a maximum of N8.00 to be contributed in equal proportion of N4.00 each by the employer and the employee.

In 1993 the National Provident Fund (NPF) was converted to a limited social insurance scheme, administered by the Nigeria Social Insurance Trust Fund (NSITF), via Decree No.73 of 1993 effective from 1st July, 1994. The NSITF was a defined benefits scheme and covered employees in the private sector working for organizations with a workforce by not less than 5 employees. The initial monthly contribution of members was 7.5% of basic salary, which was shared in the proportion of 2.5% by the employee, and 5% by the employer, but was later revised in 2000 to 10% of gross salary (comprising basic salary, transport and housing allowances shared in proportion of 3.5% by the employee and 6.5% by the employers. In 2004, the federal Government under President Olusegun Obasanjo, revolutionized pension Management and Administration in Nigeria, with the enactment of the pension reform Act 2004. The Act assigned the administration, management and custody of pension funds to private sector companies known as the Pension Fund Administrators (PFS) and Pension Fund Custodians (PFC) The Act further mandated the Nigeria Social Insurance Trust Fund (NSITF) to set up its own pension Fund Administrators (PFA) to compete with other PFSs in the emerging pensions industry and also to manage the accumulated pension funds of current NSITF contributors for a transitional period of five years. In response to the demands of the Act on NSTIF that Trust Fund Pension PLC was incorporated by the NSITF; in collaboration with other institutional investors and social partners as a Pension Fund Administrators, in accordance with the provisions of the Act. The sole business of the Trust Fund Pension Plc is the administration and management of retirement savings (Pension Funds). However in spite of the humble beginnings inadequate finding and low compliance level the Nigeria social insurance trust find grew significantly in every area of its operations from 1967 to 2004. In spite of Pension Acts, there have been various circulars guiding the administration and regulations of pension in the public service which are issued from time to time to update previous ones.

Regulations Guiding the Administration Of Pension And Gratuity In Nigeria.

The first Pension Ordinance was enacted by the colonial masters in 1951 and had retrospective effect from the 1st January, 1946, mostly to cater for the British who were posted to serve in the colony, the colonial pension law made granting of pension to Nigerians at the discretion of the governor general of the country. Pension then, was not automatic to retirees. Under the 1951 ordinance pension could be withheld or denied to an officer at the slightest excuse of negligence or misconduct.

After Independence, the federal government in an attempt to exercise exclusive power over pension matters enacted the pension decree No. 120 of 1979 with retrospective data of 1st

April, 1974. The decree consolidated all pension enactments and incorporated the pension and gratuity scales for pubic officers revised by the Udoji public service review commission. The decree No. 120 of 1979 is the public pension laws from which other pensions laws in the public sector/service of Nigeria have developed. As the need arises, other laws which cater for specific professions or groups are enacted but still the main features of Decree 102 of 1979 are retained inspite of government efforts in enacting well articulated provisions in the decree No 102 of 1979 with its subsequent amendment, which could have made public servant confident in a well provided retirement for them, made it unattainable due to inadequate funds to meet future bills, consequently, it has become a serious concern to government and workers to the last few years. The issue of funding pension bill is not peculiar to Nigeria alone, it is a global phenomenon. In Nigeria, there was a time money was not a problem but how to spend it, a declaration made by one of the past military head of state of Nigeria, government budgets then could comfortably absorb the pension bill. For example, in the 1990s, the universities were able to pay pension and gratuity to its retires before asking for reimbursements from government but at present, the increased number of retirees which has more than tripled the figure in the 1990s coupled with the reduction of subvention to the universities, it has therefore become very different for universities to pay and request for reimbursement.

This was the genesis of having retirees staying for several months (or even years) in some universities) without collecting retirement benefits. This increase in the number of retiring public officers and the inability to pay their entitlements as at when due, certainly shows that the government was no longer prepared to meet its financial obligations in this regard. The dwindling economy of the nation since 1980s was a contributory factor to this phenomenon. In view of this emerging problem the government had to engage series of consultations to find funding solutions for retirees benefits. This scenario culminated in series of workshops organized by the office of the Head of service of the federation in which government brought grown Agents of United Kingdom and all stakeholders to deliberate on the problem of funding administration of the public service pension with a view to reforming it. This subject was extensively discussed at the workshop titled "Pension Reform? A New Approach to pension require in Nigeria", the workshop amongst other things discussed extensively on a new approach to financing the public service pension scheme and investment of pension funds. It advocated for contributory pension scheme which government had adopted when it has become clear that with the dwindling economic fortunes of federal and state government and the increasing number of retirees, coupled with the increased needs of other social needs and infrastructural development of the country, it therefore, has become almost impossible for government to meet retirees benefits. The workshop came out with various recommendations amongst which was the adoption of the globally used contributory scheme for the entire public service where employees are to contribute a part of the cost of providing retirement benefits and the merging of both public and private sector pension scheme. This recommendation had gone through series of debates; involving the Insurance Organizations Nigeria Labour Congress (NLC) and other stakeholders. The passage of the bill and the guidelines for implementation came into place in June 2004. This world, however, be the first fundamental review of the Pension Decree No-102 of 1979. The 2004Pension Act repealed all the existing pension laws in Nigeria and had become operational since 2003, it is expected that the contributory scheme would provide funds to pay retirement benefit and also provide funds for growth and development of the economy in the long run.

Problem Of Pension Administration In Nigeria

There has been a lot of problems associated with pension scheme in Nigeria. The public service operators an unfunded defined benefits scheme and the payment of retirement benefits are budgeted annually. The annual budgetary allocation for pension has been one of the most vulnerable items in budget implementation in the light of resource constraints. Indeed, even where budgetary provisions are made, inadequate and untimely release of funds result in delays and accumulation of arrears of pension and gratuities of retired workers. As the scheme is unfunded, there is no opportunity for the accumulation of inevitable funds. Even in cases, where funds were accumulated under some parastatals schemes, restrictive investment policies and practices sometimes have limited the capacity of such funds to grow. Also, political instability and unstable labour policies in the past had endangered massive premature retirements, thus creating an unstable pension-to-active-worker ratio.

Part A: Personal Information

Table .1: Gender Distribution

Characteristics	No. of Respondents	Percentage (%)
Male	285	74%
Female	100	26%
Total	**385**	**100%**

Source: Field Survey 2017

The table above shows that there are 74% of male and 26% of females in the sample. This indicates or shows that male respondents are more than female respondents.

Table .2: Age Distribution

Characteristics	No. of Respondents	Percentage (%)
21 – 30 Years	110	29%
31 – 50 Years	250	65%
Above 50 Years	25	6%
Total	**385**	**100%**

Source: Field Survey 2017

From the above table 29% of the respondents are within the ages of 18 – 30 years, 65% are within the ages of 31 – 50 years and 6% are above 50 years. This indicates that more people within the age range of 31 – 50 years make up the bulk of the respondents.

Table .3: Educational Qualification

Characteristics	No. of Respondents	Percentage (%)
OND/NCE	-	-

B.Sc/HND	350	91%
M.Sc/Ph.D	35	9%
Total	**385**	**100%**

Source: Field Survey 2017

The table above shows that 91% of the respondents are B.Sc./HND Holders, while 9% fell into M.Sc/Ph.D holders.

Table .4: Marital Status Distribution

Characteristics	No. of Respondents	Percentage (%)
Single	55	14%
Married	300	78%
Widowed	30	8%
Divorced	-	-
Total	**385**	**100%**

Source: Field Survey 2017

From the table above, it can be observed that 14% are single, 78% are married, 8% is either widows or widowers and 0% are divorcees.

Table .5: Position Held by Respondents

Characteristics	No. of Respondents	Percentage (%)
Directors	35	9%
Senior Staff	250	65%
Junior Staff	70	18%
Other	30	8%
Total	**385**	**100%**

Source: Field Survey 2017

It is noticeable from the above table that majority of the respondents are senior staff and therefore qualified to give quality responses to the questionnaire.

Table .6: Question 6
Pension is a source of revenue to retirees and also a source of income to the aged?

Options	Responses	Percentage (%)
Strongly Agreed	385	100%
Agreed	-	-
Disagreed	-	-
Strongly Disagreed	-	-
Indifferent	-	-
Total	**385**	**100%**

Source: Field Survey 2017

The table shows that all the respondents strongly agreed that pension is a source of revenue to retirees and also a source of income to the aged.

Table .7: Question 7
Nonpayment of pensions affects pension administrators performance in Nigeria?

Options	Responses	Percentage (%)
Strongly Agreed	150	39%
Agreed	100	26%
Disagreed	50	13%
Strongly Disagreed	50	13%
Indifferent	35	9%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that non-payment of pension affects pension administrators performance in Nigeria. The proportion of respondents was put of strongly agreed 39%, agreed 26%, disagreed and strongly disagreed were even which is 13% each of the total respondents while 9% of the respondents thought otherwise.

Table .8: Question 8

There are no significant reasons for delays in the payment of pension and gratuity of retired workers in Nigeria?

Options	Responses	Percentage (%)
Strongly Agreed	150	39%
Agreed	100	26%
Disagreed	6	16%
Strongly Disagreed	40	10%
Indifferent	35	9%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that there are no significant reasons for delays in the payment of pensions and gratuity of retired workers in Nigeria. This proportion of respondents has put at strongly agreed 39%, agreed 26%, disagreed 16% and strongly disagreed 10% each of the total respondents while 9% of the respondents thought otherwise.

Table .9: Question 9

There are no significant major institutional structure that made the old pension scheme/system not very effective in Nigeria?

Options	Responses	Percentage (%)
Strongly Agreed	120	31%

Agreed	150	39%
Disagreed	40	10.5%
Strongly Disagreed	40	10.5%
Indifferent	35	9%
Total	**385**	**100%**

Source: Field Survey 2017

The table shows that majority of the respondents agreed that there are significant major institutional structures that made the old pension system not very effective and Nigeria.

Table .10: Question 10
Poor state of pension servicing and payment increase provision for bad debt with the pension administrators?

Options	Responses	Percentage (%)
Strongly Agreed	100	26%
Agreed	150	39%
Disagreed	60	16%
Strongly Disagreed	40	10%
Indifferent	35	9%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that poor state of pension servicing and payment increase provision for bad debt with the pension administrators responses of the respondents are as follows; strongly agreed 26%, agreed 39%, disagreed 16% and strongly disagreed 10% each of the total respondents while 90% of the respondents thought otherwise.

Table .11: Question 12
Contributory pension scheme have significant relationship with pension administrators in Nigeria?

Options	Responses	Percentage (%)
Strongly Agreed	120	31%
Agreed	150	39%
Disagreed	40	10.5%
Strongly Disagreed	40	10.5%
Indifferent	35	9%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that contributory pension scheme have significant relationship with pension administration in Nigeria. The proportion of respondents was put at strongly agreed 31%, agreed 39%, disagreed 10.5% and strongly disagreed 10.5% each of the total respondents while 9% of the respondents thought otherwise.

Table .12: Question 13

Poor technical know how of pension administrators are the major causes of inefficiency on pension scheme in Nigeria?

Options	Responses	Percentage (%)
Strongly Agreed	150	39%
Agreed	150	39%
Disagreed	45	12%
Strongly Disagreed	25	6%
Indifferent	15	4%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that poor technical know how of pension administrators are the major causes of inefficiency on pension scheme in Nigeria. This proportion of respondents was put at strongly agreed 39%, agreed 39%, disagreed 12%, strongly disagreed 6%, each of the total respondents while 4% of the respondents thought otherwise.

Table .13: Question 14

There are lots problems associated with the previous pension administrators in Nigeria?

Options	Responses	Percentage (%)
Strongly Agreed	200	52%
Agreed	150	39%
Disagreed	15	4%
Strongly Disagreed	15	4%
Indifferent	5	1%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that there are lots of problems associated with the previous pension administrators in Nigeria. This proportion of respondents was put at strongly agreed 52%, agreed 39%, disagreed 4% and strongly disagreed 4% each of the total respondents while 1% of the respondents think otherwise.

Table .14: Question 15

Sickness and death are the major impact of the delays in the payment of pension and gratuities of retired workers in Nigeria?

Options	Responses	Percentage (%)
Strongly Agreed	200	52%
Agreed	150	39%

Disagreed	15	4%
Strongly Disagreed	15	4%
Indifferent	5	1%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that sickness and death are the major impact of the delays in the payment of pensions and gratuities of retired workers in Nigeria. The proportion of the respondents were put at strongly agreed 52%, agreed 39%, disagreed 4% and strongly disagreed 4% each of the total respondents while 1% of the respondents thought otherwise.

Table .15: Question 16
Most pension administrators in Nigeria lack efficiency and integrity in their day to day activities?

Options	**Responses**	**Percentage (%)**
Strongly Agreed	150	39%
Agreed	150	39%
Disagreed	45	12%
Strongly Disagreed	25	6%
Indifferent	15	9%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that most pension administrators in Nigeria lack efficiency and integrity in their day to day activities. The proportion of respondents were put at strongly agreed 39%, agreed 39%, disagreed 12% and strongly disagreed 6% each of the total respondents while 4% of the respondents thought otherwise.

Table.16: Question 17.**Most pension administrators divert customer's funds to private investments?**

Options	**Responses**	**Percentage (%)**
Strongly Agreed	120	31%
Agreed	150	39%
Disagreed	40	10.5%
Strongly Disagreed	40	10.5%
Indifferent	35	9%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that most pension administrators divert customer's funds to private investment. The proportion of the respondents were put at strongly agreed 31%, agreed 39%, disagreed 10.5% and strongly disagreed 10.5% each of the total respondents while 9% of the respondents thought otherwise.

Table .17: Question 18
Economic instability and recession affects payment of pension to retirees in the country?

Options	**Responses**	**Percentage (%)**

Strongly Agreed	120	31%
Agreed	150	39%
Disagreed	40	10.5%
Strongly Disagreed	40	10.5%
Indifferent	35	9%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that economic instability and recession affects payment of pensions to the retirees in the country. The proportion of respondents were put at strongly agreed 31%, agreed 39%, disagreed 10.5% and strongly disagreed 10.5% each of the total respondents while 9% of the respondents thought otherwise.

Table .18: Question 19 .Pension administrators should create public awareness on the problems and prospects of pension scheme in the country?

Options	**Responses**	**Percentage (%)**
Strongly Agreed	200	52%
Agreed	160	42%
Disagreed	10	2.5%
Strongly Disagreed	10	2.5%
Indifferent	5	1%
Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that pension administrators should create public awareness on the problems and prospects of pension scheme in the country. The proportion of respondents were put at strongly agreed 52%, agreed 42%, disagreed 2.5% and strongly disagreed 2.5% each of the total respondents while 1% of the respondents thought otherwise.

Table .19: Question 20.Pension administrators should be held liable for irregular payment of pensions to the retirees?

Options	**Responses**	**Percentage (%)**
Strongly Agreed	150	39%
Agreed	150	39%
Disagreed	45	12%
Strongly Disagreed	25	6%
Indifferent	15	4%

Total	**385**	**100%**

Source: Field Survey 2017

It can be seen from the above table that pension administrators in Nigeria should be held liable for irregular payment of pension to the retirees. The proportion of respondents was put at strongly agreed, 39%, agreed 39%, disagreed 12% and strongly disagreed 6% each of the total respondents while 4% of the respondents thought otherwise.

Test Of Hypotheses

4.3(1) H_o: There are significant reason for delays in the payment of pension and gratuity of retired workers in Nigeria.

H_I: There are no significant reason for delays in the payment of pension and gratuity of retired workers in Nigeria.

Table .8 Question 8.There are no significant reasons for delays in the payment of pension and gratuity of retired workers in Nigeria?

Options	**Responses**	**Percentage (%)**
Strongly Agreed	150	39%
Agreed	100	26%
Disagreed	60	16%
Strongly Disagreed	40	10%
Indifferent	35	9%
Total	**385**	**100%**

Source: Field Survey 2017

Table 4.9: To determine the null hypothesis

X	**Y**	**XY**	**X^2**	**Y^2**
5	150	750	25	22500
4	100	400	16	10000
3	60	180	9	3600
2	40	80	4	1600
1	35	35	1	1225
15	385	1445	55	38925

Source: Researcher Analysis 2017

$$r = \frac{n\sum xy - \sum x \sum y}{\sqrt{n(\sum x^2) - (\sum x)^2}\sqrt{n(\sum y^2) - (\sum y)^2}}$$

Where: R = the correlation coefficient

N = Sample size

X = Options scaled

$r = 5(1445) – (15)(385)$

$$\sqrt{5(55) - (225)}\sqrt{5(38925) - (148225)}$$

$$R = \frac{1450}{\sqrt{(50)\ (46400)}}$$

$$R = \frac{1450}{1523}$$

$$R = 0.95$$

Decision Rule: If R is close to (+1) or (-1) it shows a strong relationship or weak relationship for (+) it shows that there is a strong positive relationship & for (-) it shows a strong negative relationship. If R is close to zero it shows a less relationship and when R is equal to zero it shows no relationship. Following the decision role above, we shall now accept the alternative hypothesis and reject the null hypothesis because the calculated R has a positive strong relationship and we conclude that there are no significant reasons for delays in the payment of pensions and gratuity of retired workers in Nigeria.

4.3(2) H_o: There are no significant major institutional structures that made the old pension system not very effective in Nigeria.

H_I: There are significant major institutional structures that made the old pension system not very effective in Nigeria.

Table .10 Question 9.There are significant major institutional structures that made the old pension system not very effective in Nigeria

Options	Responses	Percentage (%)
Strongly Agreed	120	31%
Agreed	150	39%
Disagreed	40	10.5%
Strongly Disagreed	40	10.5%
Indifferent	35	9%
Total	**385**	**100%**

Source: Field Survey 2017

Table .11: To determine the null hypothesis

X	Y	XY	X^2	Y^2
5	120	600	25	14400
4	150	600	16	22500
3	40	120	9	1600
2	40	80	4	1600
1	35	35	1	1225
15	385	1435	55	41325

Source: Researcher Analysis 2017

$$r = \frac{n\sum xy - \sum x\sum y}{\sqrt{n(\sum x^2) - (\sum x)^2}\ \sqrt{n(\sum y^2) - (\sum y)^2}}$$

Where: R = the correlation coefficient
N = Sample size
X = Options scaled

$$r = \frac{5(1435) - (15)(385)}{\sqrt{5(53) - (225)}\ \sqrt{5(41325) - (148225)}}$$

$$R = \frac{1400}{\sqrt{(50)(58400)}}$$

$$R = \frac{1400}{1709}$$

$$R = 0.82$$

Decision Rule: If R is close to (+1) or (-1) it shows a strong relationship for (+) shows that there is a strong relationship but positive one and for (-) it shows a strong relationship, but negative one. If R is close to zero it shows a less relationship and when R is equal to zero it shows no relationship. Following the decision rule above, we shall now accept the alternative hypothesis and reject the null hypothesis because the calculated R has a positive strong relationship and we conclude that there are significant major institutional structures that made the old pension system not very effective in Nigeria.

Conclusion

The problems of pension payment and its administration is not just a national issue but a global phenomenon. Many nations of the world in Europe, America and other developed and developing nations have been faced with the problem of managing the retired workers as well as payments of their entitlements as they disengage from active employment. For many developed nations and many multinational corporations, the problem of payment of retirement benefits to their retired workers is not a herculean task since many decades ago, they adopted the contributory pension scheme which applies to workers in both the public or private service. The problem is more pronounced in developing nations like Nigeria where the government had to bear the brunt of payments of retirement benefits without any contribution made by the employees. In such nations, the governments were able to do it during periods of economic boom and when retirees were fewer in Nigeria. It became an uphill task when the number of retirees began to increase astronomically, and was compounded by global economic recessions. Nigeria is one of the nations that its retired workers had to face a lot of problems due to the fact that the government could no longer manage and administer effectively the retirement benefits workers who were untimely retired, as in the case of Nigerian, retrenched due to downsizing and closure of some government institutions and departments or even normal disengagement from service. The new pension scheme is expected to reduce the problems of pension administration which has existed in the past.

Recommendations

1) Pensions should not be restricted by age in order to enjoy their pension benefits in their RSA since it is now a contributory scheme or where a slight qualified conditions is deceived, then employees retired compulsorily should be allows to start withdrawing their pension benefits immediately after such retirement.
2) The retirement provision of 35yrs of services or 60yrs of age whichever crimes first as contained in the pension Act (1990) should be retained to guarantee job security in the public service.
3) The military, the police and other security agencies in the country should be placed on the same contributory note under section 9 of the Act.
4) The Act should be extended to cover the state public service since pension matter is contained in the exclusive legislature list in the 1990 contained.
5) There should be equitable representation of all stakeholders in the National Petroleum Commission (NPC) to ensure confidence and probity.

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