AN APPRAISAL OF PENSION REFORM ACT AND ITS IMPLEMENTATION IN NIGERIAN PUBLIC SECTOR

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Abstract

The paper examine appraisal of pension reform act and its implementation in Nigerian public sector, using Rivers State Agricultural Development Programme Port Harcourt as a case study. The urgent need of reform necessitated measure due to the fact that public sector organization at both the federal, state and local government levels have woefully failed to meet their pension liabilities thereby groaning under the heavy burden of paying the retirement benefits of retirees. The scourge of "ghost pensioners, has further aggravated the lingering pension crisis. Strict regulation of the activities of pension fund Administrators and Nation pension commission is to be established and charge with the responsibility for the regulation, supervision and effective administration of all pension matters in Nigeria. Rivers State Agricultural Development Programme Port Harcourt was the population and 50 personnel drawn from various departments were used as the sample size. The researcher used primary and secondary methods of data and obtained through questionnaires were presented in tables and analyzed using the simple percentage method.The findings have shown that factors which militate against successful pension reform act and its implementation in Nigeria public sector: knowledge gap and general misconceptions, widening the coverage in the informed and private sector, many of the public sectors are not yet to key in the idea, securing system wide buy-in and initial reluctance form employees for register with PFAs and capacity building in the new pension industry.The paper recommends that workers should invest in fixed income. The Nigeria government should intensify effort to ensure financial safety net for older persons in general; through social pension of foxed stipends for individual above the age of 65 years.

Key words: Pension, Reform, Administration, Public sector, Allowance.

Introduction

Pension as a form of social security against old-aged poverty and other uncertainties have great interest virtually everywhere in the world, both in developed and developing countries, in recent times. Pension programs especially those that are publicly financed and administered, have become an issue of concern to economists, policy makers and the general public for effective implementation. This is not only because such programs are central to the well-being of the pensioners and the elderly, but also, the majority of pension programs are not actuarially balanced (that is, they are not financially stable), and as such, they are run at deficits, thus making the present values of their future liabilities to be enormous (Sule, 2019).

The present civilian administration extended its form programs to the administration of pensions in the public service. The reform holds an overall objective of reorganizing the pension scheme and the various institutions charged with the administration of pension in Nigeria. The reform overhauled the entire machinery of the pension system through a holistic redefinition of its essence, as a mechanism of participatory savings for the proverbial rainy day.

Pension scheme is a transfer programs that serves as a channel for redistributing income to the elderly or retirees, after a stipulated number of service years. A pension is usually a regular payment made by the government or private companies or organizations to their retirees, as a form of social security against old-aged risks and uncertainties. In addition, pension scheme/programme are also used to promote a saving culture among current employees, and this stimulates saving Okpaise (2015).

Nigerian pensioners are suffering badly from the stings of the problem of public pension scheme, which was largely governed by pension decree No.102 of 1979. It has features persistent problems in recent times, especially in civilian regime. Some of the problems are:

i. The dependency of pension scheme and the erratic budgetary allocation to the federal government.
ii. The untimely release of pension scheme.
iii. The untimely release of pension funds which affects the payment of pension benefit and other retirement benefits
iv. A huge accumulation of pension liabilities, among several others.

The present pension reform, repeated the previous pension Act No.102(cap 346) of 1979. It replaced it with pension reform Act 2004 , as amended in 2014 which gives legal backing to the reform specifically by sec,11(5) of pension reform Act 2004,as amended in 2014 employers are required to deduct from source the monthly contributions of their employees and remit same together with their position, directly to the account designed by pension fund administration(PFA). Remittance of work must be made within seven (7) working days from the date of payment of salary of employees. Failure to comply with the requirement, constitute an offence under sec.11 (7) and 89 of the pension reform Act 2004 as amended 2014.

Finally, a greater importance has been given to pension and gratuity by employers because of the belief that if employees future needs are guaranteed, their fears ameliorated and properly taken care of, they will be more motivated to contribute positively to organizations output. Similarly various government organizations as well as labor union have emphasized the need for sound, good and workable pension scheme.

Statement of the Problem

Several years before pension reform, most pension scheme in the public sector has been under funded, owing to in adequate budgetary allocations. Budget releases which seldom came on scheme where far short of due benefits. This situation has resulted to unprecedented and unsustainable outstanding pension deficits estimated at over N2trillion before the commencement of PRA in 2004.

First, comes the layoffs then pay cuts finally a delay in the payment of benefits due to poor pension policy formulation and implementation, incorrect record keeping and inadequate accountability of public funds. The non-implementation of budgeted income to pensioners delay in payment and denial of pension's accrued to pensioners leading to pensioners protesting over nonpayment of pension and non-compliance with ethics of public financial management.

In Rivers State, to collect retirement benefit became problematic and a source of hardship to retirees. The Nigerian pension system had been plagued by week and restrictive investment practices, under funding and mis-management in addition to poor corporate governance. These problems led to the institutionalization of pension reform in 2014 to make pension payment less burdensome and more efficient.

It is on this background that this study sought to investigate how the ministry of works Rivers states addressees pension reforms act vis-à-vis its implementation.

Objectives of the Study

i. To examine the impact of pension reform and implementation on the welfare of retirees in the Rivers State Agricultural Development Programme Port Harcourt.
ii. To identify the benefits/importance of pension reform act on pensioners of Rivers State Agricultural Development Programme Port Harcourt.
iii. To access the strategies for efficient pension scheme in Nigeria with particular reference to Rivers State Agricultural Development Programme Port Harcourt.
iv. To examines challenges that are affecting effective pension reform and implementation in the ministry.
v. To recommend ways of implementing pension reform scheme in Rivers State Agricultural Development Programme Port Harcourt.

Research Questions

i. What are the impacts of pension reform and its implementation on the welfare of retirees in Rivers State Agricultural Development Programme Port Harcourt?
ii. What are the benefits of pension reform act on pensioners of the Rivers State Agricultural Development Programme Port Harcourt?
iii. What are the strategies for efficient pension scheme in Nigeria with particular reference to Rivers State Agricultural Development Programme?
iv. What are the challenges that are affecting effective pension reform and implementation?
v. How can pension scheme be implemented in the Rivers State Agricultural Development Programme Port Harcourt?

Research Hypothesis

H_O: pension reform and implementation has no impact on the welfare of retirees in the Rivers State Agricultural Development Programme Port Harcourt

H_1: pension reform and implementation has impact on the welfare of retirees inRivers State Agricultural Development Programme Port Harcourt?

H_0: pension reform act has no benefit on retirees in the Rivers State Agricultural Development Programme Port Harcourt?

H_1: pension reform has benefit on retirees in the Rivers State Agricultural Development Programme Port Harcourt ?

H_0: pension scheme has no effective strategies for efficient pension system in Nigeria with particular reference to Rivers State Agricultural Development Programme Port Harcourt

H_1: pension scheme has effective strategies for efficient pension system in Nigeria with particular reference to Rivers State Agricultural Development Programme Port Harcourt.

H_0: pension reform and implementation has no challenge that is affecting the system.

H_1: pension reform and implementation has challenges that are affecting the system.

Theoretical Framework

Concept of Pension Reform Act and its Implementation in Nigeria public sector

Until June 2004, Nigeria had operated particularly in the public sector, a Defined Benefit (DB) pension scheme, which was largely unfunded and non-contributory. Hassana (2018:32). The system was also characterized as a **pay-as –you-go (PAYG)** scheme since retiree were to be supported nit by their previous contributions but by annual budgetary implementation. Because it was largely unfunded, the Defined Benefit system led to massive accumulation of pension debt, which was estimated at more than one trillion naira. Armstrong (2019:187).

In response to the telling effects of such a system on the lives of our elderly people otherwise known as senior citizens and their families, the government on 2004 decided to take measures aimed at reversing the situation through developing a system that is sustainable and has the capacity to achieve the ultimate goal of providing a stable, predictable and adequate source of retirement income for each participant.

Okpaise (2015:120), viewed pension as an arrangement to provide people with an income when they are no longer earning a regular income from employment. Thus, with the coming into force in June 2004 of the pension of the Pension Reform Act 2004, a new pension scheme came to replace the previous Defined Benefit scheme. According to Williamson, J. (2020:65) pension system is designed to provide an income to those individuals who suffer a less in earning capacity due to disability or the death of wage earner in the family.

The new scheme is a defined contribution (DC) scheme, which as the name suggests, is contributory in nature, making it mandatory on employer and workers (in the public and private sector organizations with or more employees) to contribute 7.5% each of monthly emoluments of the employee until a retirement savings account (RSA) .Palacious, R. and Slunchynsky, O. (2016:116), however, for the military, the contributions rate is 2.5%, with government contributing 12.5%.

This system has a number of features making it an increasingly vital component of the pension system of many countries not only in the organization of economic corporation and development (OECD) countries but also amongst the developing countries particularly in Asia and Latin America. Pension sub committee (2017:56), it would be germane at this juncture to distinguish from the outset the basic difference between the two types of pension scheme and also carry out a critical analysis of the pension reform Act 2004 so as to determine its impact on the living conditions of the elderly retirees in Nigeria.

However, the pension reform Act of 2004 has been amended in 1July 2014 by former President Good luck Ebele Jonathan. It also establish the National Pension Commission as the body to regulate the amendment act required by an employee to contribute 8.0% of his/her monthly emolument to the scheme while the employee contributes10% as against 7.5% from both sides before the amendments. Therefore, the 2014 pension scheme is seen and known as the current Pension Reform Act in Nigeria.

The implementation of the 2004 Pension Reform Act

The act on commencement provides that pension fund shall be managed by licensed Pension Fund Administrators (PFAs) who are to open a Retirement Savings Account (RSA) for all employees with a Personal Identity Number (PIN) attached through which their contributions could be kept Robolino, D (2016:21). They are to maintain books of account on all transactions and the money collected is to be invested and managed by PFA. Sec45 (F and G) of the Act makes it the responsibility of the PFA to calculate and pay retirement benefits. The Act provides also that the no one can withdraw from the Retirement Savings Accounts except he has attained 50years of age.

The pension Reform Act 2004 repeals the pension Act 1990 and establishes a contributory Pension Scheme for employees in the public and private sectors. In both its objectives and features, the Act marks a turning point in Nigerians annals of pension regimes. Below are some of the provisions and features of the scheme.

i. It makes it compulsory for every person in employment in Nigeria to save towards catering for livelihood during old age. Robolino(2016:612).
ii. Provide a uniform set of rules, regulations, and standards for the administration and payment of retirement benefits for the public and private sectors. For instance, the Act provides for the establishment of National Pension Commission (NPC) which is empowered to register and license corporate organizations that will act as Pension Administrators (PFA) and each PFA, in turn selects a custodian who manages the fund on its behalf.
iii. Stipulate 50 years of age at which an employee is entitled to pension.
iv. Allows for increase in the rates of monthly contributions, subjects to agreement between the employer and the employee.

Classification of Pension in Nigeria

According to Ugwu (2016:173), there are 4 main classifications of pensions in Nigeria and they are:

Retiring Pension: This type of pension is usually granted to a worker who is permitted to retire after completing a foxed period of quality service usually 30 to 35 years or on attaining the age of professors and judges.

Compensatory Pension: This type of pension is usually granted to a worker whose permanent post is abolished and government is unable to provide him or her with suitable alternative employment.

Superannuating Pension: This type of pension plan is given to a worker who retires at the prescribed age limit as stated in the condition of service.

Compassionate Allowance: This happens when pension is not admissible or allowed on account of a public servants removal from service for misconduct, insolvency or incompetence or inefficiency. Adams, (2019:140).

Types of Pension Reform Act

There are two broad types according to Uzoma, (2022:23), and they are the parametric and the systematic pension reform

1. Parametric pension reform which involves adjustments to the parameters of the pension system such as retirement age, contribution rate etc. these adjustment which may be ad hoc or discretionary tend to create uncertainty and problems.
2. Systematic pension reform involves a complete shift in the pension systems by a country for example from say, defined benefit system to the defined contributory system or social pension or voluntary pension scheme. Systematic reform could be single-pillar or multipliers depending on the contribution of the various systems.

Basically, Nigeria embarked on a multi-pillars, systematic pension reform changing completely from the defined benefit to the defined contributory scheme. It has individuals Retirement Saving Accounts (RSA), valued arrangement taking various forms which are flexible and discretionary in nature and informed intra-family or inter-generational sources of both financial support to the elderly, including adequate health care (Holzmnamm and Hassana 2015:11).

Key options in 2004 Pension Reform scheme

I. Nature of The Scheme: the new pension scheme is a contributory pension scheme (sec.1 part of PRA 2014).Taiwo (2020:12), for the payment of retirement benefits of employees who are eligible under the scheme.

II. To Encourage the Employee: The contribution to the new pension scheme is to be a part of tax deductable expenses in the computation of tax payable by the employee .Retirement Bond Redemption Fund (RBRF): Sec.29 (1) of the Act empowers the CBN to establish, invest and manage the RBRF for the Federal public service and the FCT Sule. (2013:65).

III. Management and Custodian of Pension Assets: Unlike the old scheme, the Act specifies an institutional framework for the proper management and custodian.

IV. Rate Of Contribution: section 9 (1) specifies the contribution by the individual and the employer as follows:

    a. In the case of public service of the Federation and the Federal Capital Territory a minimum of 7.5% by the employer and a minimum of 7.5% by the employee.
    b. In the case of the military, a minimum of 12.5% by the employer and a minimum of 2.5%by the employee.
    c. In other cases, a minimum of 7.5% by the employer and a minimum of 7.5% by the employee.

The implementation of the new Pension Reform Act 2014 and its salient features

The new pension Act 2014 is an eye opener of the obvious benefits in the contributory scheme. On 1July 2014, President Good luck Ebele Jonathan signed into law the "Act" which repeals the pension Reform Act 2004. The new Act severs as the enabling legislation for the administration of the contributory pension scheme. The Act has some major amendments which everyone, employers and employee should find quite exciting and benefit from the major changes which were made in this new Act to activate the sufferings of the pension problems which the former Act did not address Uzoma (2017).

Some of the changes as well as the features are highlighted below:

1. **Participation and contribution:** The scope of participation and contributory pension scheme for employers in the private sector has been decreased form minimum of five (5) employees to three (3) employees, which enables wider participation for the informal private sector.

There is also an increase in the rate of contribution, under the Act, employers are to contribute 12% of the monthly emoluments which was previously 7.5% and the employees on the other hand are to contribute 8% which was previously 7.5%. For an employer that bears the total pension contributions of its employees they will be expected to make 20% contribution. These contributions are applicable on monthly emoluments only.

2. **Recovery of pension:** The employees who have been involved actively In the contributory pension scheme often complain about recovery of pension after loss of job, the worry centers around the stipulated waiting period after a job loss, the new Act has now given us a reason to smile as the act has reduced the waiting period for accessing benefits in the event of los of job by employees from six (6) months to four (4) months. So in a sad case were people lose their job, they can quickly smile to the bank to access their benefits after four (4) months.

3. **Sanctions and punishments:** The Act now empowers the National Pension Commission to institute criminal proceedings against employers for persistent refusal to remit pension contributions subject to the font of the Attorney General of the Federation, which will be the delight of employees right now.

Furthermore, pension operators who mismanage pension funds are liable on conviction to not less than 10years imprisonment and or fine of an amount equal to the three-times the amount so misappropriated or diverted now. As it is clear that the benefits of pension is on the high side, some adamant employees still refuse to join this scheme, the pension Act 2014 takes good care of these category of staff by compelling and employer to open a Temporary Retirement Savings Account (TRSA) on behalf of an employee that failed to open RSA within 3 months of assumption of duty (Hassan, 2020).

Finally, it is clear that the new pension Act 2014 is quite advantageous to the employees as some keys issues have been addressed such as upward review of the penalties and sanction, enhanced coverage of the contributory pension scheme and informal sector participation, upward review of rate of pension contribution, opening of temporary retirement savings account for adamant employees and access to benefits in the event of loss of job.

Objectives of the new Pension Reform

Below are the objectives of the new pension scheme, according to Adam smith, (2004:87).

i. 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 where due.
ii. Establish a uniform set of rules, regulations and standards for the administration and payment of retirement benefits for the public service of the federation, federal capital territory or private sector.
iii. Stem growth of outstanding pension liabilities.
iv. To promote wider coverage of pension scheme in Nigeria.
v. To ensure transparent and effective management of pension funds.

Functions of Pension Reform scheme

According to Goloma (2019:87), the key function of pension reform plan is:

1. To enable individuals and households to smooth consumption over the life course, collecting saving during peoples working lives and providing retirement income.
2. It provides insurance against a range of contingencies which may otherwise adversely affect household consumption.

Challenges of the new Pension Reform scheme

1. **Limited Investment Opportunities**: The new system of defined contribution individual accounts were expected to supply new investment capital that would spur the development of domestic capital markets.
2. **Inadequate coverage**: A large proportion of the population remains inadequately covered by the contributory system. There is the fear of continuity and sustainability of the scheme by successive Governments sometimes lead to the jettisoning of previous programmes.
3. **Mismanagement of funds**: Another challenge is the mismanagement and misappropriation of amounts.
4. **Risk management**: in the ministry, the employee determines who manages his/her retirement savings account and therefore assumes fully responsibility of the risk involved.
5. **Coverage**: The reform has failed to contribute to basic social security in old age for the majority of Nigerians employed on the informal sector.

Comparing between the old and new Pension Reform scheme

One of the major difference between the previous scheme and the new scheme adopted in Nigeria is that, in the old scheme (Defined Benefit Scheme) pensioners queue up at Government offices for verification and collection of their monthly pensions, while pensioners in the post 2014 contributory pension scheme (the New Contributory Pension Scheme) do not need to queue up to be verified else their monthly pensions are paid straight into their bank accounts Mairurere et al. (2021:10).

While the old pension scheme was largely defined benefits and unfunded, the new scheme is defined contribution and fully funded. The new scheme is very portable and enjoys uniform application unlike the old which was not.

Impact of 2014 Pension Reforms on the retiree's wellbeing

1. The more generous the pension benefits, the higher the income in other population. This provides more resources that can be invested in health enhancing products and activities.
2. A more generous pension system may in addition, have redistributive impact, thus reducing income differences in society, and particularly amongst the elderly.
3. The particular importance is the potential of well designed pension programmers to reduce poverty amongst older population.

One of the objectives of the pension scheme established under the Act is to assist individuals by ensuring that they save in order to cater for their livelihood during old age.

Importance and Benefits of Pension Reform scheme

Pension now plays an increasingly important role in the economy of any country because the money earmarked for pension could be used for the establishment of small enterprise. It also relieves pressure in the ministry for individual assistances by instilling in employees a sense of confidence at challenging responsibility for future. It has also help employee in the ministry to readjust them properly into the society after leaving employment.

Therefore, if employee and employers contribute to the scheme, then it serves as a general area of joint interest and cooperation and therefore helps to foster better employment relations.

Factors attributing to poor Pension Reform Management

1. **Poor record keeping:** this has been the bane of the ministry of works and all public sector at large because many pension departments have no up to date of record of retirees when they are living or dead Taiwo (2019:87). This has made the ministry impossible for them to determine their actual benefits obligation at any particular time most of the department is not computerized.
2. **Incident of Ghost workers:** Because of poor record keeping there have being reported cases of ghost pensioners in the ministry. Corrupt officials take advantage of administrative lapses to perpetuate fraud on a massive scale to the detriment of both the government and the pensioners Okpaise (2020:243).
3. **Low quality man power:** man departments in the ministry are manned not really by staff specifically trained for pension scheme administration. The same vein, many member of board of trustees of government parastatal are hardly conversant with the rudiments of pension scheme administration.
4. **Inadequate pension benefits:** until recently when computation of pension started to be based on total emoluments as against basic pay, ministry of works pension where very meager Asuquo (2015:21).
5. **Low worker moral in pension departments:** pension department in the ministry are often not provided with the required working tools and necessary infrastructures. The

staff of these departments are often not fully motivated, often times, to the point of frustration, many become fraudulent.

Strategies for effective Pension Reform Administration in the Nigeria public sector

i. **Record management**: this is the application of systematic control concerning the creation, maintenance, and destruction of records required in conjunction with the operation of the ministry in the process of and payments of retirement benefits, records is the pivot on which the entire exercise revolves. A good pension administration relies on the information and record kept on the retiree. From the day he or she entered the ministry until his final exit. It is essential that an officer's benefits should be paid if he is qualified and on time to make it meaningful.

ii. **Minimum age entry into the service**: the minimum age of entry into the service is 15 year in accordance with section 14 of decree 102. Any service rendered before the age of 15 years would not be reckon as qualifying service into computing benefits.

iii. **Maximum age entry into the service**: formally, according to decree 102, the maximum age is 45 years, a person who joins the service above 45 years of age is not qualified for a permanent and pensionable appointment, the person is thus is not entitled to benefits under the pension decree Sule (2019). The minimum and maximum age entry into service was recently amended to 16 and 50 years respectively (public service rule 2000).

iv. **No extension of pensionable service after attaining the statutory age**: there is no provision in extent laws circulars for extension of pensionable service after the statutory age as such; persons are required to leave the service at 35 years on pensionable service or age of 60 Adams. (2021).

v. **Date of retirement:** date of leaving the service is not a service date and thus not salary earning. It is the date a person starts life retiree.

Method of Data Analysis

The paper employed the use of simple percentage to analyze the questionnaire and obtained will be presented in tables. The Method will be used to determine whether a significant difference occurred between the expected and observed frequency.

The data collected was treated both quantitatively and qualitatively. The use of table was necessary and simple percentage method. In order to summarize the data collected from respondents, a frequency count of all their responses were presents in table.

This is a simple method with a question in a particular categories with the large percentage of the response is accepted.

$$\text{Simple percentage} = \frac{\text{Obtained frequency}}{\text{Total frequency}} \times \frac{100}{1}$$

Decision Rule

If X2 calculated is greater than X2 tabulated, reject null hypothesis (HO) and accept the alternative hypothesis (HI) if otherwise.

Data Analysis and Interpretation of Result

This below table shows the presentation of the data with special focus on responses gathered as a result of the administration of questionnaire.

Table 1: Questionnaires Administrered And Responses

NUMBER OF QUESTIONNIARE ADMINISTERED	NUMBER OF RESPONDENT	PERCENTAGE OF RESPONDENT
50	50	100%

Source: field survey, 2023

Table 1. above shows that all the fifty (50) respondents representing 100% of the staff returned their questionnaires.

Survey Question 1

What are the Impact of Pension Reform and its Implementation on the Welfare of the Retirees?

Table 2: The Impact of Pension Reform and Its Implementation on the Welfare of the Retirees.

S/N	VIRABLES	NUMBER OF RESPONDENTS	PERCENTAGE OF RESPONDENT
1	The more generous the pension benefits, the higher the income in the older population.	25	55%
2	A more generous pension system may , in addition, have a redistributive impact, thus reducing income differences in the society, and particularly amongst the elderly.	5	10%
3	Particular importance is the potential of well designed pension programs to reduce poverty amongst older population.	20	45%
	Total	50	100%

Source: field survey, 2023

Table.2 above shows the impact of pension reform and implementation on the welfare of the retires. Twenty five (25) respondents representing 55% accepted the more generous the pension benefits, the higher the income in the older population. Five (5) respondents representing 10% accepted a more generous pension system may, in addition, have a redistributive impact, thus reducing income differences in society, and particularly amongst the elderly. Twenty (20) respondents representing 45% accepted particularly importance is the potential of well-designed pension programs to reduce poverty amongst older population.

Therefore, using the analysis above, shows that the impact of pension reform and implementation on the welfare of the retirees is the more generous the pension benefits, the higher the income in the older population.

What are the Benefits of Pension Reform Act on Retirees?

Table. 3: THE BENEFITS OF PENSION REFORM ACT ON RETIREES.

S/N	VIRIABLES	NUMBER OF RESPONDENT	PERCENTAGE OF RESPONDENT

1	Pensionable and gratuity age	10	18%
2	The amount or the percentage of the proposed pension.	35	72%
3	Method of financing	5	10%
	Total	50	100%

Source: field survey, 2023

Table 3: above shows the benefit of pension reform on retirees. Ten (10) respondents representing 18% accepted pensionable and gratuity age. Thirty five (35) respondents representing 72% accepted the amount or the percentage of the proposed pension. Five (5) respondents representing 10% accepted methods of financing.

Therefore, using the analysis above, it shows that the benefit of pension reform act on retirees is the amount or the percentage of the proposed pension.

What are the Strategies for Efficient Pension Scheme in Nigeria?

Table 4: The Strategies for Efficient Pension Scheme in Nigeria.

S/N	VARIABLES	NUMBER OF RESPONDENT	PERCENTAGE OF RESPONDENT
1	Minimum age entry into the service	25	50%
2	Maximum age entry into the service	23	45%
3	No extension of pensionable service after attaining the statutory age.	2	5%
	Total.	50	100%

Source: field survey, 2023

Table 4: above shows the strategies for efficient pension scheme in Nigeria. Twenty five (25) respondents representing 50% accepted minimum age entry into the service. Twenty three (23) respondents representing 45% accepted maximum age entry into the service. Two (2) respondents representing 5% accepted No extension of pensionable service after attaining the statutory age.

Therefore, using the analysis above, it shows that the strategy for efficient pension scheme in Nigeria is minimum age entry into the service.

What are the Challenges that are Affecting Effective Pension Reform and Implementation?

Table 5: The Challenges that are Affecting Effective Pension Reform and It Implementation

S/N	VARIABLES	NUMBER OF RESPONDENT	PERCENTAGE OF RESPONDENT
1	History of bad corporate governance by people in many organizations	15	30%
2	Inappropriate and adequate sanction for breaches	30	60%
3	The tyranny and immunity of management	5	10%
	Total	50	100%

Source: field survey, 2023

Table 5: above shows the challenges that are affecting effective pension reform and implementation. Fifteen (15) respondents representing 30% accepted History of bad corporate governance by people in many organizations. Thirty (30) respondents representing 60% accepted Inappropriate and adequate sanction for breaches. Five (5) respondents representing 10% accepted the tyranny and immunity, of management.

Therefore, using the analysis above shows that the challenges that are affecting effective pension reform and implementation is inappropriate and adequate sanction for breaches.

How can Pension Scheme be Implemented in the Rivers State Agricultural Development Programme Port Harcourt

Table 6: How Pension Scheme can be implemented In the Ministry of Works.

S/N	VIRIABLES	NUMBER OF RESPONDENT	PERCENTAGE OF RESPONDENT
1	Pension funds shall only be managed by licensed Pension Fund Administrators (PFAs) who are to open a Retirement Savings Account (RSA) for all employees.	30	60%
2	New scheme requires both employee and employers making Joint Compulsory Contribution of 15% monthly emolument.	15	30%
3	No one can withdraw from the Retirement Savings Account (RSA) except he/she has attained the age of 50years and above	5	10%
	Total	50%	100%

Source: field survey, 2023

Table 6: above shows how pension scheme can be implemented in Ministry of works Rivers State. Therefore, following the analysis form the table above, it shows that the best way of which pension scheme can be implemented id by Pension Fund Administrators (PFAs) opening a Retirement Savings Account (RSA) for all employees in the ministry and parastatal..

Discussion of Findings

The paper focuses on appraisal of pension reform act and its implementation in Nigerian public sector, using Rivers State Agricultural Development Programme Port Harcourt as a case study. To achieve the objective, research questions were developed to address the problem. The result of the analysis associated with the research question reveals the following:

1. Rivers State Agricultural Development Programme Port Harcourt adopted the fact that the impact of pension reform and implementation on the welfare of the retirees is the more generous the pension benefits, the higher the income in the older population. This has about 25 respondents that represented 55% responses
2. The benefit of pension reform act on retirees is the amount or the percentage of the proposed pension. This has about 35fesponsents that represent 72% responses.
3. The strategy for efficient pension scheme in Nigeria is minimum age entry into the service. This has about 25 respondents that represent 50% responses.

4. The challenges that are affecting effective pension reform and implementation are inappropriate and adequate sanction for breaches. This has about 30 respondents those represents 60% responses.
5. Pension scheme can be implemented in the ministry when or by allowing Pension Fund Administrators (PFAs) open a Retirement Saving Account (RSA) for all employees in the ministry. This has about 30 respondents that represent 60% responses.

Conclusion and Recommendation

Discussion of Findings

Better pension and requirement benefit for all Nigerians is something that touches the pensionable workers and the future generation. The governments interest in better retirement benefit for its citizenry derives from fundamental fact that in democracies, people(young, old and retired) is the primary purpose of government. To meet these responsibilities, government is expected to promote job creation for the young and able as well as encourage people to plan and save for their old age retirement through regulatory framework. The reform has also given all employers in Nigeria to abandon defined benefits for defined benefit for defined contribution thereby shifting investment risk on employees. Moreover, pension commissions as well as policymakers need to ensure that individual understand the choices before them, particular the longevity risk associated with associated with defined contribution and ensure that all parties involved comply to the provision of the reform. They need to remember that pension was not introduced by accident, but were result of social consensus that poverty amongst the elderly must be eliminated.

The paper also revealed that the regulators have not paid close attention to non-remittance of employees funds to appropriate accounts was the major cause of pension crisis in Nigeria in the previous schemes. Intensive research is needed in the regulatory office as it is in the regulatory office as it is in the bodies that are subject to its regulation.

Conclusion

On account of the problems associated with the old pension scheme in Nigeria, the government developed a new scheme. Hence, the scheme may not necessarily translate into economics security for the retired. There is therefore the need for PenCom to be strengthened as an institution, to enable it carry out its operations more effectively. Investment outlet need be expanded so that more opportunities for investments may be available, thereby expanding the income from investments.

Also, the pension houses have to be more transparent to allow pensioners the benefit of informed decisions as to which pension house to engage. It is observed that for the first time in Nigeria, employers and employees are compelled by law to provide money intended to pay pension entitlement at retirement. This marks a departure from the past where no such provisions were made, rather payment of pension depended on budgetary allocations which were hardly adequate.

Recommendation

1. Workers should plan well for retirement by saving ahead of it or plan to take up a second job or part time job after retirement and workers should invest in fixed income.

2. The Nigeria government should intensity effort to ensure financial safety net for older persons in general; through social pension of fixed stipends for individuals above the age of 65 years.
3. There is the need for massive retirement education for all workers and enlightenment program to address the issues of ignorance of the retirement scheme by workers especially those in the private sector like artisans.
4. Nigeria pension commission (PenCom) should implement all sanction on defaulters so as to ensure compliance.
5. Government should ensure prudent investment of pension fund on national essentials such as electricity and telecommunication.
6. Government should provide financial security for pension fund, it should be government insured as national monument.
7. An appropriate implementation and enforcement culture is needed which involves prompt persecution of defaulters and enforcement of penalties.
8. Bearing in mind the singular importance of pension in life of retired workers, pension reforms must be continuous and regular reviewed to adjust to environmental changes.
9. PENCOM must improve on its services and be open to all enquiries.
10. There must be uniform pension scheme for both the public and the private sector, and retirement benefits should be funded by both the employer and the employee.
11. Also, there must be strict regulation, supervision and effective administration of all pension matters in the country.

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