

THE ADMINISTRATION OF THE PENSION REFORM ACT IN THE NON-DOMESTICATED STATES IN NIGERIA THROUGH THE MICRO PENSION PLAN

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ABSTRACT: Pension plans have become increasingly a discourse in the public space in recent times. The consciousness of the plan has made the private and public sector managers devote attention to how to join their workforce to motivate them to productivity and a safety net after retirement. The most sought-after retirement plan over the globe is the Contributory Pension Plan. Nonetheless, many public sector entities have remained adamant about the benefit scheme retirement plan, especially in the States where Contributory Pension Schemes is not domesticated. To mitigate the financial famine the retirees, go through after retirement, the Micro pension plan becomes a bridge for public servants to take their destinies into their own hands toward contributing part of their earnings to the Contributory Pension Scheme to create an assets buffer for their retirement. This academic paper examines how Public Servants could enrol in the Contributory Pension Scheme without their employer's side of the contribution. The study uses secondary data techniques and observational methodology. The study concluded by asserting that public Servants of the none non-domesticated Contributory Pension Scheme should make good use of the Micro Pension Plans to address their retirement needs rather than waiting endlessly for unprepared state governments for Contributory Pension Scheme enrolment.

Keywords: Contributory Pension Scheme, Reform Pension Act, Non-domestication, Retirement, Public Servants

INTRODUCTION

Pension matters have been one of strong workplace administrative motivational tools for workers in public and private organizations. The essence of the pension is to provide financial stockpiles for the workers during their active work time and accessible post-service era when they are no longer in the service. In contemporary workplaces around the globe, pension administration has gained more prominence than wage and salary administration. While salary and wage concerns involve employers or their proxy, the Human Resource Management or Accounting Department, in calculating or computing salaries for their employees on a monthly basis or every other 30 days (Armstrong 2012:263).

Pensions, on the other hand, are computed at the same time alongside salaries. The former is paid out to employees or credited to the eligible accounts of the employees. Staff rejoice upon receiving credit alerts about their salary payments. Pay day, normally referred to as salary payment, signifies that employers have fulfilled their contractual obligations to their employees. However, for the latter, pensions are deducted from salaries as an obligation of the employees, reflected on the debit side of the employees' checklist. These deductions from employees, along with the corresponding deductions from employers, are lodged in the accounts of an independent body called Pension Fund Administrators, whose role is to open and operate retirement savings accounts for individual workers if they are registered with the National Pension Commission (Imoh Emma, 2022:16). Pensions are referred to as deferred payments (Udoji, 1974).

Pension assessment commences after an employee's retirement from service. Retirement may result from reaching the mandatory retirement age of 60 or 70 years, having served 35 or 40 years in the establishment, or being unable to continue employment due to health-related disabilities (Ezeali & Esiagu, 2009). Therefore, in Nigerian workplaces, whether in the public or private sector, pensions have become a fundamental contractual agreement enshrined in employment, integral to the general welfare administration of employees (Imoh Emma, 2024). There are essentially two major types of pension administration in Nigeria: (1) the Direct Benefit Scheme (DBS) and (2) the Contributory Benefit Scheme (CBS).

The Direct Benefit Scheme: This type of pension administration manages employee deductions internally within the employer's establishments. It is the predominant form of pension administration in most states in Nigeria. In these states, pension matters are handled by the Department of Pension in the Training Development office of the Head of Civil Service. This system operated in the Federal Government Public Service prior to the introduction of the Pension Reform Act in 2004, which led to the establishment of the Contributory Pension Scheme. Records indicate that the pension deficit of the Direct Benefit Scheme was approximately 2.3 trillion naira, with monthly debit arrears of fifty-six billion naira as of 2003 (Olanrewaju, 2013:10). Imo State, which continues to utilize this pension system, has a pension deficit of 58 billion naira. This situation is consistent across states that practice this type of Pension Scheme.

The Contributory Pension Scheme is a pension management plan that allows pension arrangements under the contribution method between the employees and the employer. There is a joint contribution by these two parties to deduct a certain percentage from employees' earnings and invest the deductible amount to the third party and independent funds manager for accumulation of investment earnings to the employees over a time till the employees retire from service to be qualified to access the fund. This independent fund manager is called the Pension Fund Administrators. The account that receives all pension activities of the employees is known as the Retirement Savings Account (RSA). This is the pension arrangements in the Federal Government in the Federal Civil Service. The Act that empowered the scheme is the Pension Reform Act of

2004. Other entities running this scheme is the organized Private Sector (the OPS). Few States in the Nigeria Federation. The Act established the National Pension Commission to supervise and monitor all Pension businesses in Nigeria. The pension assets about 30 June 2024 have a net of 20.484 trillion naira. (Channel TV, 2024).

Many states in Nigeria have not domesticated this Pension Reform Act into their various states; they have not domesticated this Pension Reform Act into their various states, but they still retain and operate the direct benefit scheme. These domesticated-domesticated States, as usually called, have remained adamant about the pension reform law. They do not understand the obligation to join. However, they have, through their refusal, denied employees blissful retirement and other financial benefits expected to accrue to their staff national development benefits the scheme offers. These States that remained in the old order have continued to administer and incurred substantial pension deficits, and their staff, when retired, will be unable to access pension benefits at the point of leaving active service without secure pension benefits. This continued deprivation of the employees of these non-domesticated States needs to be mitigated by another pension apparatus. This pension window does not require the total consent of employers - the State Governments. Rather, the individual employees are required to decide to access this pension window, which is called the Micro Pension Plan.

This academic paper examines the micro pension window available to employees of non-domestic states in Nigeria to overcome their pension challenges due to their employers' inability to transition them to the Contributory Pension Scheme because of a lack of subscription to the Pension Reform Act. Nonetheless, the Micro Pension Plan is a vital pension tool that these employees can enroll in to cater to their pension arrangements while in service. Therefore, this article, "Administration of the Pension Reform Act in the Non-Domestic States in Nigeria through the Micro Pension Plan," aims to balance the equation in the pension arrangements as they pertain to states that have maintained the traditional pension benefit scheme.

Statement of the Problem

The significance of pension benefits payments to employees after service is critical and cannot be overstated. When employment is severed due to age or health conditions, regular monthly salary ceases. This financial gap is expected to be filled by the assessment of pensions administered to substitute monthly salaries. However, for employees without a pension arrangement, the journey into financial oblivion has just begun. The suffering of penury and poverty sets in because there is no regular influx of finance to meet the cost of living. Therefore, most establishments without pension arrangements automatically place their employees in an unthinkable hazard of perpetual penury when the doors of employment close due to age or health disabilities, especially in the private sector. For employees in non-domestic states like Imo State, retirement is not welcomed

and is viewed as a stigma; "the struggle for life has just continued in hopelessness" because no one is certain when pension or gratuity will arrive.

In fact, the disbursement of gratuities and pensions is contingent upon the discretion of the Executive Governor. In Imo State, Nigeria, a significant pension deficit of fifty-eight billion naira has been acknowledged by the two most recent Governors, Honorable Emeka Ihedioha and Senator Hope Uzodinma, who have indicated that the State currently lacks the financial capacity to fulfil these obligations (Imoh Emma, 2022). The gratuity component of the pension arrangement has remained unpaid for approximately two decades in Imo State. Furthermore, the pension payments to retirees are minimal and have not been adjusted in accordance with the national minimum wage increment laws within the State. This situation has led to various unethical practices among employees in the civil service, which are outlined below:

1. **Compromise of Biographical Data:** The fear of retirement has compelled some employees to manipulate their biographical data, such as their dates of birth, to extend their tenure in service. This widespread manipulation of birth dates has severely hindered the recruitment of new personnel, as older employees refuse to vacate their positions, thereby remaining in service longer than warranted.
2. **Financial Corruption:** The lack of timely pension payments in states like Imo has fostered an environment conducive to financial corruption. Civil and public servants have colluded with the system to misappropriate state resources, seeking to evade financial hardship upon retirement.
3. **Bureaucratic Red Tape:** The pervasive bureaucratic red tape has exacerbated the difficulties within the civil service, allowing for the creation of schemes intended to circumvent the inadequacies of the pension arrangement while diverting funds for post-service sustenance.

The absence of the domestication of the Pension Reform Act in states such as Imo has subjected many employees to financial instability, ultimately contributing to elevated mortality rates and reduced longevity among public workers. The lack of financial support and safety nets has deprived senior citizens of access to essential services, including healthcare, nutrition, and necessary provisions for their dependents. In contemporary society, social securities that are expected to enhance the lives of the elderly are effectively denied, largely due to the non-implementation of the Pension Fund Administrators. This has further exacerbated societal issues, particularly for younger generations facing a lack of social securities, such as equitable employment opportunities and improved living conditions. Retired employees, once contributors to the workforce, now experience systematic disadvantages arising from the absence of a robust pension system in these subnational entities. Consequently, to alleviate the plight of employees in these states affected by deficiencies in direct pension benefit plans, the Micro Pension Plan presents a viable strategy to facilitate a more secure retirement. This contributory pension scheme serves as a potential alternative solution.

Research Questions

1. How has continued administration of pensions through the Define Pension Scheme affected employees' social security?
2. Is there a Pension Arrangement alternative available to employees of the Non-Domesticated State to salvage their pension administration?
3. How has the Micro Pension Plan made the employees of Non-Domesticated States benefit social securities to blissful retirement?

Objectives of the Study

The general objective of this academic paper is to further study the Administration of the Pension Reform Act 2004 as amended that encapsulated the Define Contribution Benefit Scheme. It further delved into scrutiny of motivation from some sub-national entities that did not domesticate this law into Pension policy. Specifically, the study sought to:

1. To examine the continued retention of the Defined Pension Scheme and its resultant socio-economic condition in the general welfare of employees.
2. To ex-ray the alternative measures taken by the employees of non-domesticated entities to salvage pension penuries after retirement.
3. To ascertain the benefits of the Micro Pension Plan to the blissful pension administration of the employees of the Non-Domesticated State.

The Pension Reform Act of 2014, as amended, was established with the objective of enhancing the morale of workers through the provision of adequate social and financial security. This framework aims to mitigate the financial impacts of the cessation of salary payments post-retirement. The non-implementation of the Act in certain sub-national entities, such as Imo State, combined with the persistence of the Defined Benefit Scheme, reflects an anti-progressive trend in pension management.

Pension administration, a critical component of salary and wage management, forms the cornerstone of overall welfare measures in workplaces across both public and private sectors. The primary objective of pension administration is to ensure the availability of financial resources to employees, particularly upon their retirement from active service. The Pension Reform Act of 2004, as subsequently amended, has significantly fortified pension administration, thereby facilitating employees' transition to a stable and comfortable life post-retirement. This paper seeks to inform employees, particularly in non-compliant regions, of alternative pension administration options, notably the Micro Pension Plan. This initiative allows for self-management of contributions independent of employer involvement.

A further key focus of this study is to educate and raise awareness among employees impacted by the lack of implementation of the Pension Reform Act in their respective regions. This alternative

contributory pension platform is intended to fulfil the objectives of the Act, ensuring that workers receive the social and financial security necessary for their future well-being—especially pertinent in situations where they are unable to work due to health constraints or upon reaching the statutory retirement age. Ultimately, this study aspires to enrich the existing body of literature within the fields of pension management and administration. The insights gleaned from this research will serve as a valuable resource for students, researchers, and practitioners in Human Resource Management, Public Administration, and Management Science.

Review of Related Literature

A pension is a regularly disbursed stipend, a benefit extended to individuals in recognition of their prior services to an organization. It is defined as a fund allocated specifically for retirement purposes. This financial arrangement replaces salaries and wages during retirement, thereby assisting retirees in avoiding financial difficulties (Imoh, 2022, p. 25). Fapohunda (2013) succinctly defines a pension as a sum set aside by employers, employees, or both, ensuring that individuals have a stable source of income upon retirement.

According to Adams (2005), a pension is an amount disbursed by a government or corporation to an employee after they reach a designated age or are unable to continue working due to age or illness. Iwu (2007) articulates that a pension scheme is characterized by periodic payments granted to employees for services rendered, founded upon a legally enforceable contractual agreement, with disbursements made by the employer at the agreed time upon termination of employment. Wikipedia (2016) describes a pension as a fund into which monetary contributions are made throughout an employee's working years, from which periodic payments are drawn to support the individual's retirement. This source further distinguishes between a "defined benefit plan," where a fixed sum is regularly paid to an individual, and a "defined contribution plan," where a fixed sum is invested and subsequently becomes accessible to the employee at the time of retirement.

Dictionary.com (2020) defines a pension as a regular payment rendered by the State (government) to individuals over a certain age, enabling them to sustain their livelihoods without the necessity of continued employment. This definition also encompasses regular payments made by employers to former employees' post-retirement and payments derived from personal pension schemes or made on charitable grounds in recognition of service or merit, including pensions awarded to disabled soldiers. Ezeali and Esiagu (2009) reveal that pensions are benefits, typically in monetary form, disbursed regularly to retired employees or their beneficiaries by private businesses as well as federal, state, and local governments.

From the perspectives of various authors, pension plans can be concisely described as integral components of salary administration, wherein a specific percentage of employee earnings is deducted to establish a fund designated for the employee's future retirement.

Types of Pension Schemes

Torrington et al. (2014) and Barrow (2009) delineate four types of pension schemes as follows:

1. Defined Benefit Scheme
2. Defined Contribution Scheme
3. Hybrid Scheme
4. Occupational Scheme.

However, this article will focus specifically on the Defined Benefit Scheme and the Defined Contribution Scheme.

1. **Defined Benefit Scheme:** This scheme guarantees a specific level of benefit at retirement, which is determined by the final salary and the number of years of service. Typically, the government sponsors this scheme and allocates funds necessary to ensure these defined benefits (Imoh, 2022:55). In Torrington's (2014) view, the Defined Benefit Scheme operates solely to administer pension payments to retired members and to provide benefits to employees who have joined their organizations. Furthermore, he underscores the criticality of contribution levels within this scheme.
2. **Defined Contribution Pension Scheme:** Emmanuel (2022:57) characterizes the Defined Contribution Pension Scheme as fully funded and portable. This scheme entails a collaborative effort between employers and employees to contribute jointly to the pension fund at a predetermined rate. According to Baker, Logue, and Radar (2006), the Defined Contribution Pension Scheme does not possess a benefit formula, meaning there is no explicit indicator of how much an individual will receive upon retirement. Instead of traditional annuity payouts, upon retirement, an employee accesses an investment account that has accumulated funds on their behalf. The account's value at retirement hinges on two primary factors: (a) the contributions made to the individual's account and (b) the investment returns earned on that account. In a Defined Contribution Pension Plan, contributions are allocated into individual accounts for each member. These contributions are invested, potentially in the stock market, and the returns on these investments—be they positive or negative—are credited to the individual's account upon retirement. The member's account is subsequently utilized to provide retirement benefits, often through the acquisition of an annuity that yields a regular income. In essence, the Defined Contribution Pension Scheme is characterized by its individualization, participatory nature, portability, robust funding, and the potential for higher coverage (Eze C.A. and Obinna V.O., 2020).

Retirement

According to the Longman Dictionary of Contemporary English for Advanced Learners, 6th edition, retirement is defined as a period during which an individual ceases working, typically due to age. It signifies the cessation of active work life, allowing individuals to enjoy leisure and freedom. Retirement may be voluntary or mandatory and refers to the discontinuation of employment in a field for which an individual received an agreed wage or salary (Pearson, 2015,

p. 1556). Retirement represents a significant milestone in an employee's career; it occurs after a satisfactory tenure of service, generally defined as 35 years in public service or upon reaching the age of 60, whichever comes first (Abonyi, 2003). Upon meeting these employment requirements, retired employees are entitled to a pension or relative monetary compensation to sustain their livelihood. Imoh (2022) emphasizes that individuals can choose to retire at any age they deem appropriate. However, national tax laws and state pension regulations often establish a standard retirement age, which typically ranges between 50 and 70 years, depending on the country. In some jurisdictions, this age may differ between genders, although more equitable policies are emerging, as seen in countries like Austria. Overall, statutory regulations shape retirement ages across various nations. In summary, retirement is concisely described as the withdrawal from one's occupational position, marking the conclusion of active working life.

There are three primary types of retirement, statutory retirement, compulsory retirement and early or voluntary retirement

1. **Statutory Retirement:** Statutory retirement is the first of these categories. Esiagu and Ezeali (2009) indicated that the current legal framework in Nigeria mandates that employees retire upon reaching 60 years of age, while judges and academic staff at the professional level in tertiary institutions must retire at 70 years of age or after completing 35 years of service, whichever occurs first. Consequently, statutory retirement in Nigeria, particularly within the civil service, is typically set at either 60 years of age or 35 years of service. Upon reaching the age of 60 or completing 35 years of service, civil servants are required to commence terminal leave, which culminates in their retirement (Osuaigwi, 2011). Barrow (2008) states that under the Defined Benefit Scheme, during the terminal leave period, employees are expected to prepare and submit their retirement documentation to the appropriate agencies responsible for managing retirement, thereby facilitating the receipt of pensions. In cases where an employee is enrolled under the Pension Reform Act, which established the Contributory Pension Scheme, they must submit retirement paperwork to their respective Pension Fund Administrator for processing of retirement benefits. This model of statutory retirement has been adopted by various organizations globally, including faith-based institutions, where employees typically retire upon reaching 70 years of age.
2. **Compulsory Retirement:** Imoh Emmanuel (2022) asserts that employees who retire under compulsory retirement circumstances are considered to have retired under pensionable conditions and are entitled to retirement benefits. This practice is often implemented for public interest, particularly in the rationalization of personnel within ministries. It is not uncommon for organizations to require certain employees to exit before reaching their statutory retirement age, often through processes such as right-sizing or downsizing. Typically, the staff impacted by this practice exit their positions and proceed to retirement. Compulsory retirement is frequently employed within security services and agencies; notably, senior management personnel may be compelled to retire whenever a subordinate is appointed to a pivotal role, resulting in the forced retirement of supervisors of the newly

appointed officer. This situation arises despite these employees not having reached the statutory retirement age, as compulsory retirement is enacted in the national interest.

3. **Early or Voluntary Retirement:** Early or Voluntary Retirement is the opposite of compulsory retirement. In this case, an employee decides to retire on their own terms. They have made a voluntary decision to leave service. This means that the employee has chosen to vacate their office or position in the organization to pursue personal interests. In this situation, the employee has not yet reached the statutory retirement age but has reached a pensionable age within the service. Most often, voluntary retirement occurs when an employee wants to address more pressing life challenges, such as health or education. Imoh Emma (2022) stated that Early or Voluntary Retirement is beneficial for employees who have made enough investments to provide financial support when they want to engage in interests outside the organization that employed them previously.

Micro-Pension Scheme or Plan

Micro Pension Plan refers to an arrangement under the CPS that allows the self-employed and individuals working in organizations with fewer than three employees to make financial contributions toward their pension provision at retirement or incapacitation. According to Armpension.com (2024), the micro pension scheme is designed to help traders and other self-employed people who do not qualify for the Contributory Pension Scheme save conveniently for retirement. Imoh Emma (2024, p.16) describes the micro pension plan as a pension arrangement under the contributory pension scheme that allows the self-employed and individuals working in self-employed organizations to contribute financially toward their old age.

However, the micro pension scheme is relevant to public sector organizations, especially government entities at the subnational and third-tier government levels, where the Pension Reform Act is not domesticated or functional. Imoh Emma (2022: 191) noted that in some states in Nigeria and their local government councils, the Pension Reform Act is not implemented. These states include Sokoto, Ekiti, Bayelsa, Nasarawa, Oyo, Katsina, Akwa Ibom, Efo, Benue, Kwara, Plateau, Cross River, Enugu, Abia, Ebonyi, Taraba, Bauchi, Borno, Gombe, Yobe, Adamawa, Osun, and Imo. These 24 states have not completely complied with or domesticated the Act for their employees. Additionally, four states have partially complied with the Pension Reform Act but have not begun funding their employees' accrued rights. These states are Zamfara, Kebbi, and Ondo. Therefore, 27 states in Nigeria have not fully domesticated and implemented the Pension Reform Act of 2004 as amended. The implication of this situation is that about 27 out of 36 states and the Federal Capital Territory have not domesticated and implemented the Contributory Pension Scheme in their respective areas. This development leaves civil service workforces at the state and local government levels to administer pensions for their staff through the defined benefit of the old order.

In these states, such as Imo State, the pension situation is as follows:

1. Backing of pension liabilities
2. Government budgetary system in pension
3. Poor pension management, which is unsustainable and fraught with defaults.

According to Uwakwe and Nkwagu (2020:101), prior to 2004, pension funds in the Nigerian public sector were constantly subjected to budgetary allocations. Due to the non-contributing and underfunded pension administration, this created bottlenecks and deficits, resulting in an estimated ₦2.3 trillion in pension liabilities for public servants of the federal government of Nigeria. There was also the issue of fund misappropriation and the presence of ineligible pensioners (ghost pensioners) on the payroll.

Despite these deficits in the defined benefit scheme, some states in Nigeria, including Imo State, have retained and continued with the old pension system. This pension situation has accumulated significant obligations, causing financial, psychological, and emotional trauma, even leading to death among retired workers, and distress for employees nearing retirement. For instance, Imo State's current administration has stated that there are ₦58 billion in accumulated pension liabilities to retirees, which the government cannot pay at this time as it exceeds the state's financial capacity (National Newsbreak Newspaper, March 26, 2021).

In light of the policy and financial impasse between the government and public sector employees, the Micro Pension window of the Contributory Pension Scheme, as administered by the National Pension Commission, has become a critical consideration. To mitigate the adverse effects of this prolonged dispute on public servants in states that have not implemented the Pension Reform Act, the Micro Pension Scheme should be allowed to operate. For instance, in institutions like Imo State University, pension contributions are reportedly made solely by employees without employer contributions.

Administration of Micro Pension Scheme of Non-Domesticated Pension Reform Act

The micro pension scheme designed by the National Pension Commission (PENCOM) was originally targeted at traders, the self-employed, and organizations with fewer than three employees. The scheme aims to meet their contingent and future pension needs upon retirement or in old age. The truth remains that not all public entities in the Nigerian federation have fully enrolled or captured their employees in the Contributory Pension Scheme; about 27 states in Nigeria have yet to fully implement this pension law. Therefore, employees of these public entities should take their destinies into their own hands by collectively subscribing to the micro pension scheme as an alternative to the fully contributory pension scheme.

The purpose of subscription to this platform by these employees is to free themselves from the challenges of pension administration after retirement. The current treatment of pensions by

governments in domesticated states is worrisome, so it is essential that these employees act quickly while there is still time to save themselves from the ongoing pension issues.

The following steps are required:

1. The National Pension Commission (PENCOM), the governing body responsible for pensions in Nigeria, needs to adjust its portal to accommodate employees of non-domesticated entities as voluntary contributors, which may not require employers' permission and documentation. Employees must present valid documents verifying their employment. They should select a contribution size that fits their work level. The participating employer fills in their bank details and fund transfer authorization form. The transaction is completed by the Pension Fund Administrator.
2. The Pension Fund Administrators ensure that the pension account, commonly referred to as a Retirement Savings Account, is opened for maintenance as expected.
3. The monthly contributions from contributors are collected through a signed transfer debit to the contributors' salary accounts each month, and the Retirement Savings Account is credited accordingly.
4. The contributed funds are invested as usual, and a quarterly statement is issued to the contributors.
5. The contributions are considered voluntary contributions.
6. All transactions from this public sector are processed through the micro pension plan.

Merit of Public Employees' Contributions to the Micro Pension Plan

Retirement is a mandatory event in the life of any worker, whether in the public or private sector. It is a time when an employee ceases to perform their work due to age or health conditions. Even though they are no longer working, they still need to eat, maintain good health, and meet other basic life needs. Therefore, they still require money even at retirement to cover their living expenses. After retirement, it is expected that salary or wage payments will stop, and pension income should replace these earnings. When pension payments are absent, and other income sources for retirees are inadequate, hardship and frustration may ensue, leading to a miserable existence. To avoid this difficult situation after retirement, employees under the Non-Domesticated State Pension Reform Act are strongly encouraged to enrol in a voluntary Contributory Pension Plan through the Micro Pension Plan. Below are the advantages of such a pension investment:

Savings for the later years: Retirement is a certainty in any employee's working life. It is essential for employees to make adequate plans to care for themselves after retirement. It is wise for someone to set aside a little for this purpose while still working. Besides, any alternative investment, such as establishing monthly savings, will be beneficial in later years. The retirement savings account should be a core priority for workers to ensure they have funds available after retirement.

- a) An alternative buffer to complement the state's monthly pension payments: Employees in the Non-Domesticated State's public service sector cannot count on regular and consistent pension payments, making it imperative for them to have good alternative fund sources after retirement. This alternative buffer can be achieved through the Micro Pension Plan. Employees investing in the Contributory Pension Plan are creating a pool of assets available for use after retirement. When retirement arrives, there are better resources to draw from for financial support. (1) The investment proceeds from the voluntary retirement savings account. This arrangement offers Contributors the chance to reap double benefits upon retirement—once from their Micro Pension Contributions and again from their direct benefit pension arrangements with their state government. When state pension funds are delayed, the Contributory funds from the retirement savings account will help meet the retiree's financial needs.
- b) The Blissful Retirement: Life after retirement loses meaning when pension benefits for the retiree are delayed or denied. Life becomes miserable and worthless; the agony and trauma increase, potentially leading to depression. However, when retirees have confidence that their retirement benefits, in terms of contributed funds in their retirement savings accounts, will be available shortly after retirement, they experience emotional gladness. The hope for these benefits encourages them to plan how to invest the money. This is why the Federal Public Service places retirees in six months of retirement training to re-socialize them before their actual retirement day. During this pre-retirement training, individuals are exposed to investment opportunities after retirement to generate income. Most public service retirees invest their accessed contributed funds into various business ventures. This makes their lives after retirement fulfilling and blessed.
- c) Public servants from State Governments in non-domesticated States can still plan to have blissful retirement when they take destiny into their own hands and rewrite their retirement destinies. When they open and operate a voluntary Retirement savings account through the Micro Pension Plan, they can plan to enjoy a blissful retirement by investing in their retirement savings account as Voluntary Contributors.
- d) Steady Income Earnings: Retirees who have invested in the Micro Pension Plan have a chance to enjoy a steady income to cover their daily living expenses. They also, as expected, must wait for the payment of benefits from the State Government. Occasionally, they may be fortunate if their retirement benefits coincide with their Micro Pension benefits. However, in some months, benefits may not arrive or may not arrive at all. The funds contributed by the RSA may help alleviate these challenging circumstances.

Conclusion

Statutory retirement life can be divided into three stages, similar to the phases of a day. In a typical 24-hour day, there is morning, afternoon, and evening before night. This pattern parallels human life: the morning period encompasses the learning phase, from birth to 30 years. The afternoon period represents the earning or working years, often referred to as prime life, from 30 to 60 or 70 years. The evening of human life consists of inactivity due to declining health and statutory retirement, which occurs from age 61 to 66 or 71, lasting until the final hour before death. The night symbolically represents death, the ultimate end of human activity on Earth.

Aside from birth and death—especially birth, which requires no preparatory contributions from humans, as God and parents determine it—each stage of life allows for adequate preparations. The morning phase is dedicated to learning, studies, apprenticeship, and skill acquisition, enabling individuals to secure gainful employment in their vocations or professions. The earning period is characterized by employment, business, or professional engagement to generate a living. Subsequently, retirement approaches can be viewed as either a golden age or a phase of uncertainty; in the golden years, individuals who have worked diligently have made investments and savings that generate income post-retirement. Conversely, life may become uncertain without sources of income to support living expenses after retirement.

In traditional African indigenous lifestyles, a man often marries multiple wives who bear children. In the man's old age, his wives and children care for him, while the wives or mothers are supported by their children. This system effectively functions as a form of social insurance in Africa. Therefore, life unfolds in stages, and the retirement stage is a crucial and critical aspect of human existence for typical workers. This emphasizes the need for a solid contributory system, often referred to as an advance retirement purchase fund or retirement savings account.

Retirement after achieving success is a significant concern for researchers today, especially as longevity and quality of life have become focal points in Human Capital Development Initiatives. These studies primarily examine how government employees enrolled in retirement purchase plans can tackle their retirement challenges through the Micro Pension Plan.

Though the Micro Pension Plan is meant for employers and employees in mostly informal sectors who are self-employed, the scheme could be extended to the public service sector, where employees have yet to implement the Pension Reform Act that legitimizes the Contributory Pension Scheme, culminating in the operation of Retirement Savings Accounts. These accounts will receive accruals and contributory funds from employees, which will be available to them after retirement. Life is sustained through quality food, healthcare, good shelter, and other daily necessities. When retirees can manage their daily needs and pay for food, medications, and housing, a blissful and happy life can be theirs. However, when these fundamental needs are not met, crisis, frustration, and sadness become the norm. There are inherent dangers to public wealth when public officers have their retirement benefits inadequately secured. As they approach their retirement date, they feel apprehensive about life after retirement. In order to escape these financial insecurities, public funds may be diverted to private accounts, or ages may be falsified to remain in service. Therefore, a blissful retirement is the desire of all employees, whether in the public or private sector. When this is achieved, happiness and longevity are attained, and society is better off.

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