

A BILL

FOR

AN ACT TO AMEND THE NIGERIA SOCIAL INSURANCE TRUST FUND ACT,
CAP N88, LFN, 2004 TO PROVIDE SOCIAL SECURITY/PROTECTION TO
SERVE AS A CUSHION TO ALL WORKING CLASS CITIZENS BOTH IN THE
PRIVATE AND PUBLIC SECTOR, UNEMPLOYED AND AGED WITHOUT
DISCRIMINATION AND OTHER RELATED MATTERS

Sponsored by Senator Suleiman Nazif

[] Commencement

BE IT ENACTED by the National Assembly for the Federal
Republic of Nigeria as follows:

1 1. The Nigerian social Insurance Trust Fund Act cap 88 Law of the Amendment of
2 Federation of Nigerian 2004 (hereinafter referred to as the principal Act) is Cap. N88, LFN
3 hereby amended as set out in this Bill 2004

4 2. Insertion of New Section 5 - tenure of Office:

5 (1) The member of the Board shall hold office for a term of years
6 and shall be eligible for re-appointment for one further term of four years
7 and no more.

8 (2) Subject to the provisions of this Act, a member of the Board
9 appointed under section 4(1)(b) and (e) of this Act, other than an ex-officio
10 member, shall be eligible for re-appointment for one further term of four
11 years and no more.

12 3. Insertion of New Section 7(3):

13 "(3) The Managing Director and the Executive Directors shall hold office
14 for a term of four years and shall be eligible for re-appointment for one
15 further term of fours and no more.

16 4. Insertion of New Section 10:

17 (1) This Act shall apply in respect of every a citizen of Nigeria and
18 resides ordinarily in Nigeria who is:

Management of
the Fund and Staff
of the Board

	1	(a) is employed in the Public Service of the Federation, Federal
	2	Capital Territory and the Private Sector;
	3	(b) is unemployed, aged, disabled or disadvantaged; and
	4	(c) to be deleted.
	5	(2) Every citizen of Nigeria to which this Act applies, shall be
	6	registered with the Board in such manner as may be prescribed by regulations
	7	made under this Act.
	8	(3) To be expunged.
Exemptions	9	5. Insertion of New Section 11:
	10	Incorporate (a) - (d) add new paragraph (e):
	11	“(e) a citizen of Nigeria who falls under paragraph (b) of subsection
	12	(1) of section 10 of this Act shall be exempted from making any form of
	13	contribution to the Fund”.
Contribution and Funding	14	6. Insertion of New Section 12:
	15	Subject to the provisions of this Act, contributions to the Fund established by
	16	section 1 of this Act are contribution payable on behalf of the employee by the
	17	employer in both Public and Private Sectors against the contingency of
	18	employment injury as stipulated in the Employees' Compensation Act, 2010.
Contribution to be made monthly	19	7.-(1) Contributions to be made under Section 12 of this Act shall be
	20	paid on a monthly basis at the rate prescribed by the Employees Compensation
	21	Act, 2010.
	22	(2) The contributions payable in respect of each month shall fall due
	23	on the last day of the month in each year or as may be prescribed by regulations
	24	made under section 40 of this Act.
Funding	25	8.-(1) The Fund established under section 1 of this Act shall consist
	26	of:
	27	(a) Contributions paid on an annual basis at the rate prescribed by
	28	Employee;
	29	(b) Annual subvention from the Federal Government for social

1 security schemes referred to in paragraph (b) of subsection 1 of section 10 of
2 this Act;

3 (c) Social security tax on property and corporate income as to be
4 determined, from time to time by the Federal Inland Revenue Service;

5 (d) Fees, fines and commissions charged by the Board; and

6 (e) Income from any investment of the Board.

7 9.-(1) notwithstanding the provisions of any other law without Penalty
8 prejudice to the penalty stipulated in subsection (1) of this Act, the Board
9 shall, in addition to the penalty stipulated under this Act;

10 (a) cause to be blacklisted any institution, both in the public and
11 private sectors, who fails to pay the prescribed contribution together with
12 the fine of 5 per centum where applicable;

13 (b) cause to be proceeded against any institution and its principal
14 officers in default in accordance with this Act.

15 10. Section 16 Employer not to reduce remuneration on account of Remuneration on
Account of
Contributions
16 contribution [Incorporate old section 15].

17 11. Subject to this Act, the following benefits shall be payable to or Categories of
benefits
18 in respect of a beneficiary, be he a contributor or not, who has satisfied the
19 applicable conditions prescribed by regulations made under this Act, that is

20 (a) Retirement grant;

21 (b) Survivors benefit;

22 (c) Death grant;

23 (d) Invalidity benefit or grant;

24 (e) Disability benefit or grant;

25 (f) Aged benefit or grant;

26 (g) Unemployment benefit or grant;

27 (h) Child benefit or grant;

28 (i) Such other benefit as may be approved from time to time by the

29 Board.

Incursion of
benefits into
against and
purposes

1 **12.-(1)** Subject to regulations made in that behalf, a beneficiary, be he
2 a contributor or not, may:

3 (a) apply to have his benefits converted into credits towards the
4 purchase of real property intended for use by himself or his family for
5 residential purposes, and

6 (b) apply to have his benefits converted into credits towards the
7 purchase of or acquisition of equity holding in any company quoted On the
8 Stock Exchange.

9 (2) The Board shall not approve the conversion of any benefit into
10 credits for the purpose of or acquisition of equity in any company quoted on the
11 Stock Exchange pursuant to paragraph (b) at subsection (1) of this section,
12 unless the beneficiary has freely elected to exercise the right to purchase or
13 acquire the equity hold in such quoted company whose equity is available for
14 sale to the general public.

Inspectors and
powers of entry etc.

15 **13. Party VI (Retained):**

16 Section 19 [Incorporate old Section 18] Power of Board to designate its
17 employee as inspectors.

Commencement

18 Section 20 [Incorporate old Section 19] Powers of inspectors to enter premises.

Penalties and
Legal Proceeding

19 **14.-(1) (a)-(d)** [Incorporate old Section 20] amend concluding part to
20 read:

21 "Commits an offence and shall on conviction be liable to a fine of not less than
22 N1,000,000.00 or to imprisonment for a term not exceeding one year or to both
23 fine and imprisonment.

24 Section 22 [Incorporate old Section 21] Offences by body of persons.

25 Section 23 [Incorporate old Section 22] Conduct of proceedings in certain
26 cases.

27 Section 24 (Incorporate old Section 23) Court to order payment of
28 contribution, etc.

29 Section 25 [Incorporate old Section 24] Time of commencement of
30 proceedings etc.

1 15.-(1)(a)-(d) [~~Incorporate old Section 20~~] amend concluding part Financial
2 to read: Provisions

Commits an offence and shall on conviction be liable to a fine of not less than N1,000,000.00 or to imprisonment for a term not exceeding one year or to both fine and imprisonment.

6 Section 22 [Incorporate old Section 21] Offences by body of persons.

7 Section 23 [Incorporate old Section 22J Conduct of proceedings in certain
8 cases.

9 Section 24 [Incorporate old Section 23] Court to order payment of
10 contribution, etc.

11 Section 25 [Incorporate old Section 24] Proceedings for offences etc.

12 Section 26 [Incorporate old Section 251 Time of commencement of
13 proceedings etc.]

14 PART VIII - MISCELLANEOUS PROVISIONS

15 Determination of question of liability to contribute:

Any question arising as to the liability of an employer or any other person to pay contributions under this Act shall be determined by reference to the relevant provisions of the Employees' Compensation Act, 2010 and any other applicable whose decision shall be subject to approval by the Board.

20 Section 33 [Incorporate old Section 32] Documents executed by Board etc.

21 Section 34 [Incorporate old Section 33] Board exempted from payment of
22 income tax.

23 Section 35 [Incorporate old Section 34] Benefits exempted from
24 inalienable.

25 Section 36 [Incorporate old Section 35] Contributions to be tax deductible.

26 Section 37 [Incorporate old Section 36] Transfer of liability etc.

27 Section 38 [Incorporate old Section 37] Indemnity.

28 Section 39 [Incorporate old Section 38] Review of operation of the scheme.

29 Section 40 [Incorporate old Section 39] Reciprocal Agreements

30 Section 41 [Incorporate old Section 40] Regulations.

	1	Section 42 [Incorporate old Section 41] Trustee Investment Act not to apply.
	2	Section 43 [Incorporate old Section 42] Repeal.
	3	Section 44 [Incorporate old Section 43] Savings and transfer of liabilities, etc.
	4	Section 45 [Incorporate old Section 44].
Interpretation	5	16. In this Act, unless the context otherwise requires:
	6	"Aged" means any citizen of Nigeria who is ordinarily resident in Nigeria and
	7	is above 65 years of aged;
	8	"Beneficiary" means any person who is entitled to benefits payable under this
	9	Act;
	10	[Incorporate other interpretation in old Section 44].
	11	Note: "Benefit" means any allowance as prescribed by this bill;
	12	"Eligibility" means being qualified to benefit from the social security scheme
	13	under this bill.
Citation	14	17. This Bill may be cited as the Nigeria Social Insurance Trust Fund
	15	(Amendment) Bill, 2015.

EXPLANATORY MEMORANDUM

This Bill seeks to amend the Nigeria Social Insurance Trust Fund Act, Cap N88, LFN, 2004 to provide Social Security Protection to all eligible citizens of Nigeria who are ordinarily resident in Nigeria whether employed both in the private and public Sector, unemployed and aged without discrimination and xxxs related matters.