



THE SENATE
FEDERAL REPUBLIC OF NIGERIA

**PENSION REFORM ACT, 2014 AMENDMENT BILL, 2023
(HB. 2025)**

A BILL
FOR
AN ACT TO AMEND THE PENSION REFORM ACT, 2014 TO
EXCLUDE/EXEMPT THE NATIONAL ASSEMBLY SERVICE FROM THE
CONTRIBUTORY PENSION SCHEME AND TO ESTABLISH THE NATIONAL
ASSEMBLY SERVICE PENSION BOARD; AND FOR RELATED MATTERS,
2023

FIRST READING

TUESDAY 21TH DECEMBER, 2022

SECOND READING

WEDNESDAY 25TH JANUARY, 2023

THIRD READING

WEDNESDAY 25TH JANUARY, 2023

PENSION REFORM ACT, 2014 AMENDMENT BILL, 2022



Arrangement of Clauses

Clause

1. Amendment of the Pension Reform Act, 2014.
2. Amendment of section 5 (1) (a).
3. Establishment of a pension's board for personnel of the National Assembly Service.
4. Appointment of the Board.
5. Computation of pension or gratuity
6. Pension, etc. to be charged on revenue of Nigeria
7. Circumstances in which pension may be granted
8. Minimum and maximum pension
9. Pension and gratuity to be paid to dependent, etc. where a pensioner dies in service.
10. Pension to run for five years after death within five years of retirement
11. Notice of intention to retire or withdraw from service
12. Pension and gratuity not to be assignable
13. Payment of public claims out of pension and gratuity
14. Delegation of power
15. Regulations
16. Interpretation
17. Citation
18. SCHEDULE

A BILL FOR AN ACT TO AMEND THE PENSION REFORM ACT, 2014 TO EXCLUDE/EXEMPT THE NATIONAL ASSEMBLY SERVICE FROM THE CONTRIBUTORY PENSION SCHEME AND TO ESTABLISH THE NATIONAL ASSEMBLY SERVICE PENSION BOARD; AND FOR RELATED MATTERS, 2023
(HB. 2025)

{ }

ENACTED by the National Assembly of the Federal Republic of Nigeria

Commencement

- | | |
|---|---|
| <p>1. The Pension Reform Act, 2014 (herein after referred to as "the Principal Act") is amended as set out below.</p> | <p>Amendment of the Pension Reform Act, 2014.</p> |
|---|---|

PART I — GENERAL

- | | |
|--|--|
| <p>2. Section 5 (1) (a) of the Principal Act is amended by inserting the words "the National Assembly Service" to read as follows:</p> | <p>Amendment of section 5 (1) (a).</p> |
|--|--|

"5. (1) The categories of persons exempted from the Contributory Pension Scheme are:

(a) the categories of persons mentioned in section 291 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended) including members of the Armed Forces, the intelligence and Secret Service of the Federation and the National Assembly Service personnel"

- | | |
|--|--|
| <p>3. (1) There is established a Pensions Board (in this Bill referred to as "the Board") which shall be charged with the responsibility of managing payment of pensions and gratuities to all personnel of the Service.</p> | <p>Establishment of a pensions board for personnel of the National Assembly Service.</p> |
|--|--|

(2) This Bill shall apply to all personnel of the Service including those who had retired before the commencement of this Bill.

(2) The retirement benefits of personnel referred to in subsection (2) above shall be adjusted to be commensurate with the provisions of this Bill.

- | | |
|---|----------------------------------|
| <p>4. (1) There shall be appointed, by the President of the Senate in consultation with the Speaker of House of Representatives, the Chairman and Members of the Board on the recommendation of the Association of retired Clerks and Secretaries of the National Assembly.</p> | <p>Appointment of the Board.</p> |
|---|----------------------------------|

(2) The Board shall consist of:

(a) the Chairman/CEO, who shall be a retired Clerk to the National Assembly;

(b) retired Clerk of the Senate or retired Clerk, House of Representatives;

(c) retired Deputy Clerk of the Senate or retired Deputy Clerk of the House of Representatives;

(d) retired Secretary (Human Resources);

(e) retired Secretary (Finance and Account);

(f) retired Secretary to the National Assembly Service Commission; and

(g) a representative of the Parliamentary Staff Association of Nigeria (PASAN).

(3) A retired Director of the National Assembly shall be the Secretary of the Board and shall be appointed from a different region with the Chairman.

(4) A Chairman or member of the Board shall hold office for a single term of 5 years from the date of his appointment.

5. (1) Subject to the provisions of this Bill, any pension or gratuity payable to any personnel under this Bill shall be computed in accordance with the provisions of the Services Regulations. Computation of pension or gratuity

(2) In computing pensionable service and qualifying service for the purpose of this Bill, any period of service over six months and not included in a completed year shall, for the purpose of the schedule to this Bill as it relates to personnel entitled to a pension, count as one year.

6. There shall be charged on and paid out of the Consolidated Revenue Fund of the Federation, all such sums of money as may, from time to time, be granted by the Federal Government by way of pension and gratuity in accordance with this Bill. Pension, etc. to be charged on revenue of Nigeria

7. (1) No pension or gratuity shall be granted under this Bill to any personnel except on his retirement from the Service in any of the following circumstances Circumstances in which pension may be granted

(a) after serving for thirty-five (35) years or attained the age of sixty (60) years, whichever is earlier;

(b) upon voluntary retirement after serving for not less than ten years;

(c) upon compulsory retirement under the provisions of section 5 (1) of this Bill;

(d) upon compulsory retirement for the purpose of facilitating improvements in the Service, so that greater efficiency or economy may be effected;

(e) at any time on medical evidence to the satisfaction of the Medical Board that he is incapable by reason of any infirmity of mind or body of discharging his duties and that such infirmity is likely to be permanent;

(f) on voluntary withdrawal after having put in not less than five years but less

than ten years continuous service as a personnel: Provided that —

(i) in respect of paragraphs (c) to (e) above, if the personnel has served for not less than five years but less than ten years before his retirement, he shall be entitled only to a gratuity as specified in the appropriate column of the Table in the Service Regulations,

(ii) if the personnel has served for a minimum of three years but less than five years before he is required to retire, he shall be entitled to an ex-gratia gratuity calculated on pro-rata basis at the rate of ten percent for every completed year of service.

(2) (a) Where a personnel retires pursuant to subsection (1) (i) above —

(i) if he has completed five years but not up to ten years inservice, he shall be entitled only to a gratuity;

ii) if he has served for not less than ten years, he shall be entitled to a pension;

(iii) if he is required to retire after ten years qualifying service pursuant to the provisions of paragraphs (c) - (e) of subsection (1) above, he shall be entitled to pensions immediately on retirement even though he has not attained the age of forty five years.

(b) Pension Deduction and Remittance:

(i) all deducted funds for pension shall be remitted into staff pension account within 72 hours by the Clerk National Assembly;

(ii) any fund deducted as pension not remitted within 72hours shall attract fine of ₦100,000 per day or one year imprisonment or both;

(iii) on no account and for whatever reasons, pension money shall not be borrowed or used as violation shall attract 6 years imprisonment or ₦100m fine or both.

(c) Retirement Package:

(i) payment of 500% of annual net emolument shall be paid to retired staff as retirement package at the commencement of the mandatory three months terminal leave;

(ii) payment of 300% of annual gross emolument as gratuity shall be paid to retired staff on the terminal/last day of exit;

(iii) budgetary provision of 50% of the annual personnel cost shall be paid into the National Assembly Pension Board;

(iv) payment of 50% of annual net emolument shall be paid as medical allowance yearly to retired staff.

(d) Repatriation/Travelling Allowance:

(i) 50% of net emolument;

(ii) air tickets for officer, spouse and four (4) children at the prevailing rates;

(iii) baggage allowance.

(e) One month compulsory pre-retirement training.

8. (1) A pension granted to a personnel or other rank under this Bill shall not be less than forty percent of his total emolument. Minimum and maximum pension

(2) For the purpose of this section, an additional pension granted in respect of injury shall or be taken into account; but where the personnel is granted such an additional pension under this Bill, the amount so granted together with the remainder of his pension under this Bill shall not exceed one hundred percent of his highest pensionable emolument at any time in the course of his service.

9. (1) Where a personnel dies in the course of official duty, there shall be paid to his next of kin a gratuity to which the personnel would have been entitled at the date of his death. Pension and gratuity to be paid to dependent, etc. where a pensioner dies in service.

(2) Where a personnel dies before completing the minimum period of qualifying service, his next of kin shall be paid a death gratuity of one year's salary only.

(3) Any pension payable under subsection (1) above shall be paid to any person entitled thereto for a period expiring at the end of five years after the death of the personnel, however, a lump sum representing five years pensions may be paid immediately to the person entitled to it.

10. Where a personnel dies within five years after retirement, his next of kin shall continue to be paid, for a period which shall expire at the end of five years from the date of his retirement, the same pension which the deceased personnel was receiving prior of his death. But if the next of kin so elects, the balance of his pension at his death may be paid immediately to the said next of kin. Pension to run for five years after death within five years of retirement

11. (1) A personnel who wishes to retire from the Service after serving for ten years or more shall give three (3) months' notice or pay the Service the equivalent of three (3) months' salary in lieu of notice. Notice of intention to retire or withdraw from service

(2) A personnel who wishes to withdraw from the Service after serving for not less than five years but up to ten years shall give the Clerk to the National Assembly one month's notice of his intention to withdraw from the Service or he shall pay one month's salary in lieu of such notice.

PART II — MISCELLANEOUS

- 12.** A pension or gratuity granted under this Bill shall not be assignable or transferable or liable to be attached, sequestrated or levied upon for or in respect of any debt or claim whatsoever except for the purpose of satisfying —
- Pension and gratuity not to be assignable
- (a) a debt due to the Federal Government; or
- (b) an order of a Court for the payment of periodical sums of money towards the maintenance of the wife or former wife or minor child of the personnel to whom the pension or gratuity has been granted.
- 13.** Where the Board is satisfied that —
- Payment of public claims out of pension and gratuity
- (a) a sum is due to the Federal Government from a person to whom a pension or gratuity is due under this Bill;
- (b) an overpayment on account of any such pension or gratuity has been made to any such person by the Federal Government, the Board may authorize the deduction from the pension or gratuity, in respect of that sum or overpayment of such amounts at such times as it may think fit; and the amounts so deducted shall be applied in or towards paying or repaying that sum or overpayment.
- 14.** (1) The Board may, by order published in the Gazette, delegate to another person or authority all or any of its powers under this Bill.
- Delegation of power
- (2) But the delegation of a power under the above subsection shall not prevent the Board from continuing to exercise the power if it thinks fit.
- 15.** (1) The Management of the Pension Board may make provisions for the structure, personnel, etc. of the Board which in turn may make provisions for carrying into effect the provisions of this Bill.
- Regulations
- (2) Whenever the Board is satisfied that it is equitable that any regulation made under this section should have retrospective effect in order to confer a benefit upon or remove a disability attached to any person, that regulation may be given retrospective effect for that purpose.
- (3) The transition period for all affected pension administrators in charge of the staff of National Assembly pension shall remit all such pension funds in their possession not later than three months from the commencement date.
- 16.** In this Bill, unless the context otherwise requires —
- Interpretation
- "basic pay" means the daily rate of pay due and payable to a personnel, but does not include allowances;
- "Clerk to the National Assembly" means the Clerk to the National Assembly (CNA);

"Federal Government" means the Federal Government of Nigeria;

"Gazette" means the official gazette of the Federal Government;

"last pay" in relation to a personnel whose appointment has been terminated, means the amount payable to him for a month (or if he was on a daily rate of pay, for thirty one days) multiplied by twelve in respect of the last substantive rank held by him immediately before the end of his employment;

"lodging" means the provision of furnished accommodation, fuel and light and personal service;

"medical board" means any medical board appointed by the Management of the Service or by any other person pursuant to a delegation under section 12 of this Bill, to assess the degree of disablement of personnel;

"member" means any member of the Board appointed under section 4(1) of this Bill, including the Chairman;

"next of kin" means any person documented by the staff who can legitimately claim entitlements of the staff in the event of death on behalf of the beneficiaries;

"pensionable emoluments" in respect of a personnel, means the salary attached to the last substantive rank held by the personnel but does not include any allowance whatsoever;

"pensionable service" means service in the National Assembly Service (including service or employment under the Government of the Federation or of a State or any other employment approved by the Service and which has been transferred to the Service) which may be taken into account in determining whether an officer is eligible by length of service, for a pension or gratuity;

"personnel" means officers and staff in the employment of the Service;

"qualifying service" means service in the National Assembly Service (including service or employment in the public service or any other employment which may be approved by the National Assembly Service) which may be taken into account in determining whether an officer is eligible by length of service for a pension or gratuity;

"retirement" means cessation of service after an officer has served for a period of not less than five years or thereafter for a period of not less than ten years, being periods respectively appointed as qualifying an officer for gratuity and 24 pension;

"termination" in relation to a personnel's employment, means termination of

full pay service by retirement, discharge or otherwise however;

"the Board" means the body charged by the Management of the Service with the responsibility for the administration of the pensions and gratuities of the personnel of the Service;

"the Service" means the National Assembly Service (NASS).

17. 17. This Bill may be cited as the National Assembly Service Pensions Board ^{Citation}
(Establishment) Bill, 2023.

COMPUTATION OF PENSION AND GRATUITIES TO PERSONNEL TO WHOM AND WHAT RATES PENSION MAY BE GRANTED

1. Subject to the provisions of this Bill, a personnel shall be granted, on retirement, a pension —
- (a) if he has been in the service for ten years or more;
 - (b) if he has completed ten years' qualifying service; or
 - (c) if he has completed five years qualifying service if this retirement is on the ground that he is incapable by reason of any infirmity of mind or body of discharging his duties and such infirmity is likely to be permanent.

General Rules as to qualifying Service

2. (1) Subject to the provisions of this Bill, qualifying service shall be inclusive of the period between the date on which a personnel was enlisted into the Service and the date of his leaving such Service without deduction of any period during which he had been absent on leave.

(2) No period which is not qualifying service by virtue of the foregoing paragraphs shall be taken into account as pensionable service.

Continuity of Service

3. (1) Except as otherwise provided in this Schedule, only continuous service shall be taken into account as qualifying service or as pensionable service.

(2) A personnel who retires from the Service and who is re-engaged in the Service within a period of five years from the date of his retirement, may be granted the pension or gratuity for which he would have been eligible if any break in his service immediately prior to such re-engagement had not occurred, such pension or gratuity to be in lieu of any pension or gratuity granted to him from the Consolidated Revenue Fund of the Federation or of a State or any other approved employment which is required to be refunded as a condition of the application to the personnel.

(3) However, in calculating a pension or gratuity granted in accordance with the provisions of this paragraph, account shall not be taken for any purpose of the period during which the officer was not in the Service.

4. Formula for calculation of pension and gratuity based on the percentage of last pay shall be in accordance with the Table in the Service Regulations.

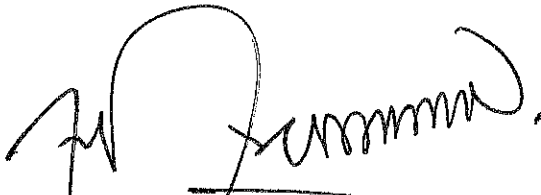
SCHEDULE

EXPLANATORY MEMORANDUM

This Bill seeks to exempt the personnel of the National Assembly Service from the Contributory Pension Scheme and to establish the National Assembly Service Pension Board to be charged with the responsibility of administering the pension's scheme for personnel of the Service.

This Bill is in consequence of the exit of the Service from the application of the contributory pensions scheme under the Pensions Reform Act, 2014.

THIS BILL WAS PASSED BY THE SENATE ON WEDESDAY, 25TH JANUARY, 2023



.....
President of the Senate,
Federal Republic of Nigeria



.....
Clerk of the Senate,
Federal Republic of Nigeria