

# A BILL

## FOR

AN ACT TO AMEND THE PENSIONS REFORM ACT, 2014, LAWS OF THE FEDERATION OF NIGERIA, 2004 TO INCLUDE ACCRUAL OF INTEREST ON INVESTMENT RETURNS TO EMPLOYEES' RETIREMENT SAVINGS ACCOUNT BY FUND ADMINISTRATORS AND CUSTODIANS AND FOR RELATED MATTERS, 2019

*Sponsored by Hon. Johnson Egwakhide Oghuma*

[ ] Commencement

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

1           1. The Contributory Pension Reform Act (2014) in this Bill  
2 referred to as the "Principal Act", is amended as set out in this Bill.

Amendment of  
the Pension Act  
(2014)

3           2. Section 7 (1) is amended by deleting Subsection (1) of the  
4 Principal Act and inserting the following Subsection (1)(a), (b) and (c):

Amendment of  
Section 7 (1)

5           "(1). A holder of a retirement savings account, upon retirement or  
6 attaining the age of 50 years, whichever is later and upon retirement, shall:

7           (a) have access to his amount credited to his retirement savings  
8 account forthwith;

9           (b) make withdrawals of a lump sum from the total amount credited  
10 to his retirement savings account provided the amount withdrawn does not  
11 exceed 30 percent of the total amount and the balance amount be spread to  
12 procure a programmed fund withdrawals or annuity for life in accordance  
13 with extant guidelines issued by the commission, from time to time;

14           (c) have a monthly or quarterly programmed withdrawals  
15 calculated on the basis of an expected life span;

16           3. Subsection (1)(c) is hereby renumbered to read (d) accordingly

Amendment of  
Section 7  
subsection (1) (c)

17           4. Subsection 7(1) (d) and (e) is hereby renumbered to read  
18 Section 7(2) and (a) respectively;

Amendment of  
Section 7  
subsection (1) (d)  
and (e)

Amendment of  
Section 7  
subsection (2)  
and (3)

Amendment of  
section 55 of the  
Principal Act

Citation

- 1                   5. Section 7 Subsections (2) and (3) are hereby renumbered to read
- 2                   (3) and (4) accordingly;
- 3                   6. Section 55 of the Principal Act is amended by substituting
- 4                   paragraphs (g), (h) and (i) for new paragraphs (g), (h) and (i):
- 5                   "(g) cause to be paid interest accrued on investments, in pursuant to
- 6                   paragraph (b) of this section;
- 7                   (h) be responsible for all calculations in relation to retirement benefits
- 8                   and interest accrued from investments; and
- 9                   (i) carry out other functions as may be directed by the Commission
- 10                  from time to time"
- 11                  7. This Bill may cited as the Pension Reform Act, 2014
- 12                  (Amendment) Bill, 2019.

EXPLANATORY MEMORANDUM

This Bill seeks to make compulsory immediate payments to retirees from their retirement savings account and to allow for benefits in terms of profits from the investments of funds from the retirement savings accounts of employees by the Pension Administrator/Custodians.