

A BILL

FOR

AN ACT TO PROVIDE SOCIAL SECURITY FOR UNEMPLOYED GRADUATE AND THE AGED IN NIGERIA AND FOR RELATED MATTERS

Sponsored by Hon. Abbas Tajudeen

[] Commencement

ENACTED BY the National Assembly of the Federal Republic of Nigeria as follows:

1 PART 1 - GRADUATE UNEMPLOYMENT BENEFIT

2 **S.1** (a) There is created a fund to be known as Graduate Establishment
3 Unemployment Benefit Fund (in this part to be called "the unemployed of Graduate
4 fund"); Benefit Fund

5 (b) There shall be appropriated to the fund for each fiscal year
6 beginning from January 1, 2015, an amount sufficient as an annual premium
7 to provide for the payment required under this part based on such graduate
8 unemployment data as the Minister of National Planning shall from year to
9 year adopt;

10 (c) The amounts credited to the fund shall be available for making
11 payments required under this part;

12 (d) The Minister of Finance and the Minister of Labour and
13 Productivity and the Minister of Interior shall make an annual report on the
14 status of the fund to be tabled before the Senate;

15 (e) The fund shall be administered to the Unemployed Graduates
16 by the Ministry of Labour and Productivity.

17 **S.2** (a) Every graduate of Nigerian University, Polytechnics and Unemployment
18 Colleges of Education shall under this Act be entitled to receive, graduate benefits
19 unemployed benefit beginning on January 1, 2011 whichever is later and
20 ending on the date he secures an employment, a graduate unemployment
21 Benefit payable monthly by the Social Security Department of the Ministry

1 of Labour and Productivity;

2 (b) Subject to 2(a) above, the Social Security Department
3 (hereinafter referred to as the "The Department") shall certify to the Minister of
4 Labour and Productivity for each fiscal year-

5 (i) An estimate of the number of persons approved for graduate
6 unemployment benefits;

7 (ii) Amount approved for payment to each such person; and

8 (iii) Such other factors' as the Department may consider relevant in
9 reaching its certification;

10 (c) Upon receiving a certification under sub-section 2(b), the Minister
11 of Finance shall cause to be released to the Minister of Labour and Productivity
12 the amount so certified for disbursement to the Unemployed Graduates by the
13 Department.

Qualification
to Benefit

14 **S.3** No individual shall be certified for payment by the Department
15 unless-

16 (a) He has furnished satisfactory evidence that he has obtained a
17 Bachelor's Degree from an approved Nigerian University; a Higher National
18 Diploma from an approved Nigerian Polytechnic and a National Certificate of
19 Education from an approved Nigerian College of Education;

20 (b) He is less than 40 years old;

21 (c) He has been certified as unemployed by the Department in the
22 Ministry of Labour and Productivity based on the relevant provision of this
23 Act;

24 (d) He has furnished evidence of registration with the National
25 Directorate of Employment.

26 PART II - OLD AGE BENEFIT

Establishment
of Old Age
Benefit Fund

27 **S.4** (a) There is created a fund to be known as Old Age Benefit Fund
28 (in this part to be called "The Fund") for the purpose of providing financial
29 assistance to the aged individuals;

30 (b) There shall be appropriated to the fund for each fiscal year by the

1 Minister of Finance, beginning with the fiscal year January L 2015, an
2 amount sufficient as an annual premium to provide for payments required
3 under this part, such amount to be determined on the basis of such data as the
4 Minister of Interior shall from year to year adopt;

5 (c) The amounts credited to the fund shall be available for making
6 payments required under this part;

7 (d) The Minister of Finance and the Minister of Interior shall make
8 an annual report on the status of the fund to be tabled before the Senate.

9 **S.5** (a) Every individual qualified under this Act shall be entitled to Old Age Payment
10 potential beneficiary attains the age of 60 or on January 1, 2011 whichever is
11 later, and ending on the date he dies, an old age benefit payable, in monthly
12 installments by the Social Security Department of the Ministry of Interior;

13 (b) Subject to sub-section 5(a) above, the Social Security
14 Department (hereinafter called "the Department") shall certify to the
15 Minister of Interior for each fiscal year-

16 (i) An estimate of the number of individuals approved for Old Age
17 Benefit Payment, certified by National Identity Card and the National
18 Population Commission;

19 (ii) The amount approved for payment to each individual; a

20 (iii) The amount payable shall be determined by the Salaries and
21 Wages Commission, the amount shall not be below the minimum wage;

22 (iv) Such other factor as the Department may consider relevant in
23 reaching its certification.

24 (c) Upon receiving a certification under sub-section 5(b), the
25 Minister of Finance shall cause to be released to the Minister of Interior the
26 amount so certified for disbursement to the aged persons by the Department.

27 **S.6** No individual shall qualify for payment by the Department Qualification
28 under this part unless- for Benefit

29 (a) He is not in the employment of any organisation, body or
30 individual; and earn no remuneration of any kind;

	1	(b) He is an occupant of Old Peoples Home, Mental Home and similar
	2	custodian institution; or
	3	(c) He is exposed to or threatened by the natural element on account of
	4	homelessness or lack of care and support.
Exemptions	5	S.7 This part shall not apply to any individual who is a beneficiary
	6	under any of the following schemes:
	7	(a) The Pensions Reforms Act, 2004;
	8	(b) Military Pensions Scheme; or
	9	(c) Private Pensions Scheme.
	10	PART III - OFFENCES
	11	S.8 Whoever in an application for payment under Part I of this Act,
	12	makes any false statement as to any material fact of-
	13	(a) His age;
	14	(b) His educational qualification;
	15	(c) His employment status as defined by the relevant section in this
	16	Act.
	17	Shall be guilty of an offence and sentenced, upon summary conviction, to
	18	imprisonment for not more than two years.
	19	S.9 Whoever in an application for payment under Part II of this Act
	20	makes any false statement as to any material fact, knowing such statement to be
	21	false shall be guilty of an offence and sentence, upon summary conviction, to a
	22	fine of not more than the total amount received upon such false statement or
	23	imprisonment for not more than one year or both.
	24	PART IV - SOCIAL SECURITY DEPARTMENT
Establishment of Social Security Department	25	S.10 (a) There is hereby established, a Social Security Department (in
	26	this Act referred to as "the Department") under the Ministry of Labour and
	27	Productivity and the Ministry of Interior;
	28	(b) The Department shall be headed by a Director.
Functions of the Department	29	S.11 The Department shall:
	30	(a) Perform the functions imposed upon it by this Act;

1 (b) Establish a mechanism for ascertaining and verifying
2 information supplied by beneficiaries;

3 (c) Have the duty of studying and recommending the most
4 effective methods of providing economic security through Social
5 safeguards:

6 (d) Create enabling environment to receive complaints and treat
7 same with all fairness, equity and justice;

8 (e) Make recommendation as to legislation and matters of
9 administrative policy concerning old-age benefit, graduate unemployment
10 benefit and related subjects:

11 (f) Make regulations for its own meetings, and operations.

12 **S.12** (a) The Department may appoint and fix the remunerations of Staff of the
13 Consultants to handle technical tasks where it deems necessary to enable it Department
14 perform its functions under this Act.

15 **S.13** (a) The funds of the Department shall comprise all Funds of the
16 appropriations made by the Minister of Finance for purposes under this Act; Department

17 (b) Foreign aid and assistance from bilateral and international
18 agencies;

19 (c) Tax collected from Corporate Bodies:

20 (d) One per cent of current income tax;

21 (e) The Departments may make such expenditures out of its funds
22 as may be necessary to carry out its functions under this Act.

23 **S.14** The Departments shall make a full report through the Minister Reports
24 to the Senate biannually on the discharge of the functions with which it is
25 charged.

26 PART V - SOCIAL SECURITY TAX

27 **S.15** (a) In addition to other taxes, there is hereby levied, to be
28 collected and paid upon the income of every adult individual, person or body
29 corporate a tax equal to 1 percentum per annum and 1 percentum per annum
30 of profit after tax of corporate bodies with effect beginning from January

1 1,2011 and to be called "Social Security Tax;

2 (b) The tax levied under sub-section (a) above, shall be collected by
3 the Federal Inland Revenue Service into a special account dedicated to that
4 purpose and shall promptly remit same to the Ministry of Finance for
5 appropriation under this Act.

6 **S.16** (a) Every employer of a tax payer under this Act shall deduct the
7 tax imposed under section 15(a) from the wages of his employee as and when
8 paid and is hereby made liable for the payment of such tax;

9 (b) An employer under sub-section 15 (a) above is hereby
10 indemnified against the claims and demands of any employee for the amount of
11 any such payment made by the employer.

12 **S.17** The Federal Inland Revenue Service shall collaborate with
13 relevant State and Local Government Agencies to design an effective means of
14 collecting and remitting the tax imposed by section 15 (a) of this Act from
15 employed individuals, incorporated bodies and persons doing business in
16 Nigeria.

Supervisory
Ministry

17 **S.18** The Social Security Department shall be under the supervision
18 of the Ministry of Labour and Productivity in the case of Graduate
19 unemployment; and the Ministry of Interior in the case of old age benefits.

Interpretation

20 **S.19** Unless the context otherwise indicates the following words as
21 used in this Act have the meanings ascribed to them as follows-

22 "The Department" means the Social Security Department established under
23 section 10(a) of this Act;

24 "Graduate" means - Persons possessing academic qualification of Bachelors
25 Degree from Nigerian Universities; Higher National Diploma from Nigerian
26 Polytechnics; and National Certificate of Education from Nigerian Colleges of
27 Education;

28 "Unemployed Graduate" means - Graduate who are able and willing to work
29 but are unable to secure a place of work;

30 "Unemployment and Unemployed" may be used interchangeably;

1 "Minister" means - In relation to any part means the Minister of the
2 Government of the Federal Republic of Nigeria charged for the time being
3 with responsibility on matters relevant to such part.

4 **S.20** This Bill may be cited as the Social Security Bill, 2020. Citation

EXPLANATORY MEMORANDUM

This Bill seeks to provide Social Security for Unemployed Graduate and the Aged in Nigeria.