

## **THE EFFECTS OF WORKERS PERCEPTION TOWARDS THE 2014 PENSION REFORM ACT (PRA) IN NIGERIA**

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**Abstrak:** Penelitian ini mengkaji persepsi pekerja terhadap PRA 2014. Ini dengan maksud untuk memberikan informasi tentang kepuasan dan pendapat pekerja terhadap PRA 2014 di Negara Bagian Osun. Untuk memudahkan penelitian, sumber pengumpulan data primer dan sekunder diadopsi dengan teknik analisis konten kualitatif untuk penyajian temuan. "Studi ini mengadopsi teori sistem". Studi ini mengungkapkan ada celah dan celah dalam PRA 2014 dan implementasinya yang secara negatif mengubah tujuan mulia reformasi, sehingga gagal dalam kerinduan dan harapan pekerja dan pensiunan masing-masing. Studi ini menyimpulkan bahwa kepuasan pekerja terhadap Undang-Undang Reformasi Pensiun 2014 di Negara Bagian Osun, Nigeria adalah negatif, tidak membantu dan tidak memuaskan. Oleh karena itu, studi ini menyarankan perlunya peninjauan lebih lanjut dan amandemen ketentuan dalam PRA, 2014 oleh Majelis Nasional (Setelah 10 tahun diberlakukan) untuk mengatasi celah dan celah yang teridentifikasi dalam Undang-Undang. Studi ini menyarankan perlunya kemauan politik yang tulus oleh tiga tingkat pemerintahan di Nigeria, dan sinergi holistik di antara para pemangku kepentingan untuk memelihara skema tersebut ke Standar dunia yang patut ditiru. Studi ini lebih lanjut menyerukan kepatuhan yang ketat dalam implementasi ketentuan Undang-Undang (sebagaimana telah diubah)

**Kata kunci:** Pensiun, Administrasi Pensiun, Reformasi, Persepsi Pekerja

**Abstract:** This study examined the perception of workers towards the 2014 PRA. These were with a view to provide information on the satisfaction and opinion of workers towards 2014 PRA in Osun State. To facilitate the study, primary and secondary sources of data collection were adopted with qualitative content analysis technique for presentation of findings. "The study adopted System theory". The study revealed there were gaps and loopholes in the PRA 2014 and its implementation which negatively altered the noble objectives of the reforms, thereby failed the yearning and expectations of workers and retirees respectively. The study concluded that satisfaction of workers toward 2014 Pension Reform Act in Osun State, Nigeria is negative, unhelpful and unsatisfactory. The study, therefore, suggested the need for further review and amendment of the provisions in the PRA, 2014 by the National Assembly (After 10 years of enactment) to take care of the identified loopholes and gaps in the Act. The study suggested the need for a sincere political will by the three tiers of government in Nigeria, and holistic synergy among the stakeholders to nurture the scheme to an enviable world Standard. The study further called for a strict compliance in implementation of the provisions of the Act (as amended)

**Key words:** Pension, Pension Administration, Reform, Perception of Workers

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## INTRODUCTION

Globally, employees from both public and private organisations hope or desire to live comfortable lives after retirement from active service. Consequently, it is not surprising for one who worked for several years in an organization to be entitled to some retirement benefits in form of gratuity or pension in most public organizations. This further suggests that the payment of workers' pension is central to government at various levels. The need prompted many countries to become proactive by constantly reviewing their pension schemes or policies. In fact, several nations routinely seek ways of replacing only what does not work well within their retirement fund structures. For instance, the Chile, government have privatized social security facilities; and proposed an obligatory use of a single financial record to operationalize their government systems (Johnson, 2017). In the UK, the belief that volunteer retirement incomes take place through job-related annuity systems, which are usually seen as contributive schemes (i.e. the establishment bids a surety of annuity remunerations), this way, the local government facility does not suffer from outlay risks (Hannah 2016).

In Nigeria, retirement income scheme was proposed by the colonialists before independence. In fact, laws on annuity in Nigeria was first contained in the 1951 retirement income law with retrospective upshot from January 1946, and contend that the civil service retirees retain the right to both pension and gratuity. Prior to the 2014 pension scheme, the Federal Government had in June of 2004, announced a viable pension system with the capacity to address the essential needs of providing constant, reliable as well as suitable pension funds for all employees in the country. Nigerian public and private sector employees now have access to a fully financed Contributory Pension Scheme (CPS) held in individual accounts thanks to the Pension Reforms Act of 2004 (PENCOM, 2005). Additionally, it established the National Pension Commission (PenCom) as the nation's principal manager and director of pension matters and related issues. However, the 2004 pension plan was only in place for a decade. Pension issues, a low coverage level, and non-remittance of pension deductions were factors that contributed to the scheme's repair during that time.

In a similar vein, perceived shortcomings in the Pension Reforms Act of 2004 led to the review of the Pension Reforms Act of 2014 (Ajaero, 2014), Additionally, it increased employees' overall monthly contributions and promoted higher levels of productivity (Usman, 2014). The amount credited to the RSA on a monthly basis is the 15% minimum required by the 2004 Pension Reforms Act, as opposed to the 18% total employees' monthly consolidated salary that was previously planned. (Fapoohunda, 2015). The country's economic hardship and the government's inability to fully implement the 2014 Pension Reforms Act's provisions regarding employers' and employees' contributions, respectively, are closely related. As a result, rumours about the new scheme's potential for success are rampant, despite its approved funding (Ikeji, Nwosu, and Agaboh, 2011). In addition, given that some employees had retired from their places of employment without a dependable pension scheme because of their employers' failure to comply with the plan and continue making deductions for proper pension administration, employees are sceptical of the new scheme's likelihood of success due to past histories of neglect in previous schemes. These may also help to explain why, out of a vast labour force of roughly 74 million workers, the scheme currently only has 6.74 million contributors and a merger asset of just 6 trillion naira (Ogah, 2016).

However, Nigeria is fraught with several problems associated with the aspects of pension administration at varying degrees beginning with the old pension scheme of 2004 to the revised 2014 pension scheme. Despite different policies advanced to solve the problems surrounding pension reforms, it seems like nothing has been done, and one wonders why the Nigerian pension reforms have failed to yield the right dividends in tackling existing problems for which the revised scheme was approved in 2014. From previous studies Ettah B. (2014), Essien and Michael S. Akuma, Garba, (2014), Mamman, Ajaero (2014), investigated the latest contributing annuity scheme within Nigeria. According to these scholar observations, the primary challenge in Nigeria is the need to pay participants' accrued pension rights under the previous scheme, and there are certain issues that are impeding the smooth implementation of the 2014 pension scheme in Nigeria. The new contributory pension scheme has been well-received by Nigerian workers. However, even after more than thirteen years of implementation due to the Pension Reforms Act of 2004, the programme still has low penetration because many public and private organisations have not yet adopted it (Adebayo & Dada, 2013).

In an effort to improve pension administration in Nigeria, former President Dr. Goodluck Jonathan signed the Pension Reforms Act of 2014 into law. However, it seems that only the Federal Government and its affiliated agencies have complied fully, with the exception of a small number of states, including Lagos, Anambra, Delta, Osun, Niger, Ogun, and Zamfara. As previously mentioned, the Federal Government and a few states currently provide matching funds to employees' pension administrators on a regular basis, but few private sector employers follow suit. In 2013, Ayegba, James, and Odoh. As of the first quarter of 2016, a number of states still lack a thorough understanding of the new pension plan, and a small number of private organisations have implemented it. This lack of understanding leaves many Nigerian employees uncertain about what their retirement will hold because so many states and private organisations are not complying with the new pension plan (Bur, 2001). The central government is assumed to be the scheme's architect for the purposes of this study. Therefore, it would seem reasonable that they assist all agencies in adhering to the correct procedures for monitoring and comprehensive administration. Therefore, it is best to assess the uncertainties surrounding the requirement for complete compliance from both the state-owned organisation and the private entity.

Therefore, the scope of this study was restricted to worker's perception in Osun State, as there is no doubt that participants' perceptions of the pension plan vary throughout the state. In addition, even though the plan seems fruitful and promising in some states, there is still a chance that it will be unfruitful and contradictory in other states (Dostal, 2010). Every state has a unique story to tell about how well the new pension plan is working; in most, the knowledge of employees taking part in it is praiseworthy, while in others it is not. (Edogbanya, 2013). Hence, the major focus of the objectives is to provide answers to the followings: (a) what is the perception of workers toward the 2014 pension reform act in Osun State? (b). What were the thrust of the PRA 2014? (c) Did it meet the expectations of the primary stakeholder workers serving and retirees? (d) What are the attendant gaps in the PRA 2014? What are the way out for the PRA 2014 to be result oriented?

According to Abdulazeem (2015), there were better reports of worker perceptions of the policy's implementation in Lagos as opposed to Osun State (Abdulazeez, 2015). The scheme, for instance, was designed to address issues such as the lack of information provided to

employees about the policy and the status of their accounts, the low return on investment that administrators of pension funds typically report, the mismanagement of pension funds by administrators, the government's failure to remit funds to the pension fund, the fabrication of records by PFA in an attempt to deceive employees, the employer's falsification of records in an effort to reduce their portion of the contribution, the organization's falsification of records in an effort to deceive employees, and political meddling with investment funds as experienced more in Osun state than in Lagos (Fapohunda, 2013).

As a result, the degree of employee satisfaction with the policy has remained ambiguous and piqued researchers' interest. The individual's portion of the issue is related to incorrect documentation that causes differences in the scheme's list of retiring employees. Additionally, Pension Fund Administrators (PFA) occasionally make mistakes in determining an employee's true financial benefits. Once more, the capital market crisis caused pension fund managers to make investments that yielded low returns and in some cases lost all of their capital. These and other issues led to problems during the program's implementation phase (Smart, 2015). Additionally, there are several academic studies on the institutions and implementation issues with Osun State's 2014 pension reform act. However, there is no information available regarding employees' opinions of the 2014 Pension Reform Act to ascertain whether they are content with or fully support the plan. In light of this, the purpose of this study was to highlight issues raised by the workers' perspective regarding the efficacy and implementation of the 2014 PRA in Osun State on what is the perception of workers towards the 2014 PRA in Osun State?

What were the thrust of the PRA 2014? Did it meet the expectations of the primary stakeholder workers serving and retirees? What are the attendant gaps in the PRA 2014? What are the way out for the PRA 2014 to be result oriented?

## **LITERATURE REVIEW**

It is noteworthy to explore relevant concepts that underpin this study. This is with a view to clearly demonstrate their importance to the study. The essence of conceptual review is to determine the relevance of major contributions in an area of study and emphasize existing gaps that the study intends to fill. In this regard, this chapter will review concepts related to the research topic. In addition, it will look at the definition of a pension, the background of pension administration in Nigeria, the characteristics of the 2014 Pension Reforms Act, and the difficulties in managing a non-contributory pension plan in Nigeria. The chapter will also examine theoretical and empirical research on variables that aid in the creation of conceptual frameworks and knowledge gaps.

### **Pension**

According to Egbuta (2001), "a pension is a regular monthly payment that a retired employee, also known as a pensioner, receives for the remainder of their lives. The payment should ideally start on the retirement date. As defined by the Chartered Institute of Personnel Management of Nigeria, Onukwu (2017), retirement can be defined as leaving one's job or being forced to leave it after 35 years of service or when one reaches a specific pensionable age of 60 to 75. According to Fajana (2002), an employee's output should naturally decline below average or normal expectation after working for a certain amount of time due to the law of diminishing return. At this point, he continued, it is imperative that the worker cease operations. In

consonance, Dostal (2010), asserts that a regular stipend is also regarded as a benefit owed to an employee in exchange for prior services. A pension is money set aside for old age. A type of financial plan that guarantees retirees won't be left behind when they retire (Eme, Uche and Uche, 2014)."

In other words, "a pension is the money set aside by an employer, an employee, or both to guarantee that there will be an income source for the employee upon retirement (Fapohunda, 2013). The amount that an employer pays an employee as a pension after the worker has worked for a certain amount of time and is deemed too old or unfit to work, or has reached the statutory retirement age (Adams, 2005). Pensions are periodic payments made by employers to employees for services rendered; they are based on legally enforceable contracts and are paid by the employers at the agreed-upon time of termination of employment, according to Iwu (2007).

### **Pension Administration**

Nigerian pension administration has a long history that begins in the 1950s. In contrast to the previous scheme, which was primarily defined benefits, the Nigerian pension system was redesigned as a defined contributory scheme by the Pension Reforms Act of 2004 (Nyong & Duze, 2011). Over the past few decades, pension administration issues have gained importance in many nations. In fact, as the workforce ages and wants to facilitate privately funded retirement income savings, policy makers in many countries are becoming more and more interested in pension matters (Ebere, 2017). Ebere (2017) claims that the government's incapacity to pay pension overheads, which have continuously eaten heavily into the national budget, made the Nigerian pension reforms necessary. In addition, by implementing the policy across all economic sectors, there was a need to reduce household poverty (Manuel & Asuquo, 2010). The public sector has long used the DBS system, also known as pay-as-you-go, but it has fallen short of the workers' expectations for both financial security and personal growth. Due to a lack of efficient oversight and regulation mechanisms, the private sector compliance ratio has likewise been low (Odia, 2012). Nigeria ran a defined benefit programme from June 2004 to January 1, 1946. On June 25, 2004, the Pension Reforms Act was passed, and on July 1, 2004, it became operative. In contrast to the previous (DB) scheme, the reforms established a defined contributory (DC) scheme (Okoye, 2012).

Government, current employees, and retirees in Nigeria face significant challenges with pension administration these days, not only in the area of contribution but also in the area of payment (Olanrewaju, 2011). Amos (2018) "acknowledges that the purpose of pension administration is to ensure that workers have a means of subsistence after retirement and to support a reasonable standard of living compared to their time spent in active duty. As a result, it refers to the entirety of plans, practices, and legal procedures for allocating money to satisfy an employee's retirement obligations. Orifowomo (2018) restates the fact that reports of elderly people collapsing and dying after standing in queue for hours or days at various pension offices across the nation, either for payment or accreditation, are common. At that vulnerable age, they went through difficult and demanding procedures in order to receive the accrued pension, gratuity, and associated retirement benefits. This surely adds to the obstacles or difficulties retirees face as their service years come to an end."

## Relevant Studies in Nigeria

Philip and Titilayo (2017) study on “implementation of contributory pension scheme (CPS) and the challenge of appropriate employees’ pension deductions in Nigeria examined reasons for inappropriate monthly pension deductions from employees in various Ministries, Department and Agencies (MDAs) in Nigeria, accordance with the provisions of the amended Pension Reforms Act of 2014. The results showed misinterpretation of existing provision particularly, the mandatory deduction of 7½ % from employees’ emolument by MDAs is responsible for the inappropriate monthly pension deductions. Also, MDAs adopted different methods in determining employees’ monthly pension contributions as different from the basis advanced in the calculation of employees’ monthly pension deductions by the employer as stipulated by the Act is another reason. The study concluded that only on the adoption of a uniform protocol between the MDAs and the Budget Office in accordance with the Pension Reforms Act of 2014 can guarantee appropriate monthly pension deductions for employees; across various Ministries, Departments and Agencies will eliminate undue deductions of monthly pension contributions and overpayment of gross monthly salaries.”

(Ashim, Ismaila and Richard, 2017) study on “Assessment of Adequacy of Pre-Retirement Savings for Sustainable Retirement Income under the Nigerian 2014 Pension Scheme, focused on the need to estimate percentage of preretirement savings based on the current salary scale, to sustain academic and non-academic staff of Federal Universities in Nigeria during retirement using the University of Lagos as a case study. The methodology of the study was designed through the modification of the life-cycle model of household behavior in relation with target replacement ratio benchmarks for different income levels as used by PenCom in 2004 and expressed in the 2013 earning terms. The study scope was hinged on some limitations: (1) scarcity of pension financial data in Nigeria; (2) the academic and non-academic staff of Federal Universities in Nigerian using University of Lagos as a case study. The study established at the minimum contribution rate into the Retirement Savings Account to meet internationally recognized replacement ratio for employees in Nigerian Federal Universities is a factor. It further showed that the lowest income earner with entry age of 25 years and retirement age 65, should, without interruption through the service year, contribute a minimum of pre-retirement savings of 28.01% on an annual basis from the employee’s emolument to meet the pre-retirement standard of living at retirement.”

From the results, “hardly can future retirees in Nigerian replicate their pre-retirement income less work related expenses and enjoy decent living standards as stipulated by the International Labour Organization (ILO). Neither can they maintain a lifestyle comparable to their pre-retirement days. This is due to inadequacies of the stipulated contribution rate in relation to the new scheme. Also, the plan is not linked to products that yield retirement income streams for a lifetime. Further, the consumption pattern of the individual is not considered given the approved contribution rate of 18%. Thus, it is not sufficient for an employee without constant consumption plans as postulated by Keynes (1936). The study therefore, recommend that policy makers must do more so that both the government and regulatory bodies can adequately plan to support individual employees at old or retirement age.”

(Ime and Mfon, 2014), “study on pension administration and capital formation in Nigeria. Ensured that the retiree’s standard of living is improved. It is with a view to provide retirement benefits to retirees and uniform guidelines for the administration and payment of

such benefits. The finding revealed that pension scheme could be funded by contribution(s) made either by the employer or employee as well as combined (employer/employee) contribution. However, despite the vital role pension schemes play to better living standards after retirement, awareness on its operations are not well known particularly within private sector employers, who are unable to provide retirement benefits for their retirees as a result of weak legislations on pension. Besides, earnings from pension funds are not accessible to retirees. The study concluded that effective pension administration and capital formation is capable of industrializing the Nigerian economy. Consequently, it was recommended that defined pension contribution should be encouraged with effective legal backing for maximum yield for both retirees and economic growth.”

(Bassey, Etim and Asinya, 2010), “reviewed the various pension schemes in Nigeria from 1951 to date with emphasis on both pre and the post 2004 era impulses. It listed the reasons for the failure of previous schemes through a comparison study of both pre and post 2004 pension schemes. Sixty (60) staff drawn from the University of Calabar Teaching Hospital, were administered a well-structured questionnaire with questions measured on a five point Likert scale. The data were analyzed using a Chi-square( $X^2$ ). Findings, showed that the 2004 pension scheme have significantly minimized the plight of Nigerian Pensioners in comparison with the Pre 2004 Schemes hence, should be encouraged. It concluded that with contributory and fully funded scoped of the Scheme and clear legal and administrative sanctions for erring parties, underfunding and corruption which warranted frequent verification exercises and characterized the Pre 2004 Schemes have now been reduced to the barest minimum due to efforts of successive governments, in Nigeria pension schemes should be encouraged and given a major priority because after hard service comes a period of retirement.”

(Onukwu, 2017) “researched on challenges of implementing the contributory pension scheme in public universities in Nigeria. Challenges identified in the study include: non-compliance by many state governments, by extension thus, state owned universities; non-remittance by government; inability of retired employees to access pension benefits; the unique engagement arrangements in Nigeria universities; inability of employees to open and own a retirement savings account (RSA); perception of employees to the scheme; contributing ratio by government and employees; different pension scheme and uncertainties surrounding the old defined benefits scheme in some universities; inability of government to fund guaranteed minimum pension (GMP); inadequate induction and orientation programmed at the point of engagement. It was recommended that state governments should appraise the benefits in the contributing pension scheme and enact laws that ensure its implementation in all state owned institutions including the universities.”

## **THEORETICAL ANALYSIS**

Previous studies used this theory to analyse works, by scholars who have focused on the 2004 pension scheme. However, this study focuses on the 2014 pension reforms act which is quite suitable because it deals with the society, its environment, and all the input, output, conversions of people necessitate regarding towards their level of satisfaction with the 2014 pension reforms act.

Systems Theory

System theory was propounded by David Easton (1965) “as a process or approach to analysing the political system. Here, system refers to a set of interrelated and interdependent parts arranged in ways that produce a unified whole (Sapru, 2013). For Easton, political systems have different parts but work harmoniously to achieve specific or select objectives. The policy making process therefore has been regarded as a “black- box” which capable of converting the societal demands into policies. Given that a government organization does not exist in a vacuum that must necessarily become part of a larger system like the economic system, or the society. Thus, the organisation must receive inputs, transform them, and export the processed outputs to the environment. This process however can be further expanded or developed into systems of operational management and to demonstrate how various inputs are transformed through managerial functions of planning, organizing, staffing and controlling (Sapru, 2013:400-401).”

System theory was considered for this study because it deals with the society, its environment, and all the input, output, conversions of people which necessitate regarding towards their level of satisfaction with the 2014 pension reforms act. System theory was propounded by David Easton (1965) “as discussed above. System refers to a set of interrelated and interdependent parts arranged in ways that produce a unified whole (Sapru, 2013). This process however can be further expanded or developed into systems of operational management and to demonstrate how various inputs are transformed through managerial functions of planning, organizing, staffing and controlling (Sapru, 2013:400-401).”

### **Applicability of the systems theory to the study**

The Osun State Pension Fund Trustees (PFTs) was established by the Osun State Government to administer contributory pension scheme within the state. Simply put, Osun State pension and gratuity law of 2006, with respect to funding (i.e.% of the workers monthly emoluments), staffing the PFT, time and compliance to the contributory pension scheme (CPS) form the inputs; the PFTs and Employers of labour i.e. Ministries, Agencies and Departments (MDAs) form the conversion process (Sapru, 2013). Timely payment of retirement benefits serves as the output. The retirees and the government institutions serve as the environments influencing the system.

### **RESEARCH METHOD**

The study employed a descriptive survey research design, using a mix-method approach for data collection. Data was collected through questionnaire administration and face-to-face interview. The study population (6995) consisted of staff of the selected ministries (Ministry of Works and Transport, Ministry of Education, Ministry of Economic Planning, Budget and Development, Ministry of Land, Physical Planning and Urban Development, Ministry of Information and Strategy, and Ministry of Human Resource and Capital Building), who had between five (5) to ten (10) years of retirement. This study adopted Taro Yamane as a statistical tool to determine the sample size (378). In addition, interviews were conducted with two directors each from the selected ministries. Therefore, a total of twelve interviewees were interviewed to complement information collected through questionnaire, and interview was measured by content analysis.

## DISCUSSION OF FINDINGS

This section focused on the discussion of findings emanating from both quantitative and qualitative. The perceptions of workers towards the 2014 pension reforms act in Osun state, it was statistically revealed that 59 (16.0%) of the respondents strongly agreed that, the change from the previous (2004) pension reforms act to the 2014 pension reforms act, is good for them; with a complementary trend of 93 (25.6%) of respondents agreeing to the assertion. While 112 (30.4%) of the respondents disagreed with the assertion with a complementary trend of 51 (13.8%) of respondents that strongly disagreed. About 54 representing (14.6%) of the respondents were undecided to the assertion. The total and relative significance index (RSI) of the assertion (=1104, RSI = 0.59837398) therefore confirmed this frequency distribution. The interpretation of this distribution was that majority of public workers agreed that the change is not good for them. Hence, this statement was most significant in the perception of public workers towards the 2014 pension reforms act in Osun State. In addition to their perception towards the 2014 pension reforms act, majority of public workers disagreed that their level of job satisfaction increased with the 2014 pension reforms act. The statistical response to the level of job satisfaction increase with 2014 pension reforms act was that 76 (20.6%) of the respondents strongly agreed to the assertion; with a complementary trend of 60 (16.3%) of respondents that agreed to the assertion. While 129 (35.0%) of the respondents disagreed with the assertion with a complementary trend of 59 (16.0%) of respondents that strongly disagreed. About 45 representing (12.2 %) of the respondents were undecided to the assertion. The total and relative significance index (RSI) of the assertion (= 1072, RSI = 0.58102981) therefore confirmed this frequency distribution.

The results above showed that the workers' level of job satisfaction increased with the 2014 pension reforms act was very low or no job satisfaction increased with the 2014 pension reform act. Nevertheless, majority of public workers disagreed that the 2014 pension reforms act will provide them with more retirement benefits than the previous old pension scheme. This finding in the second objective agreed with that of Binswanger and Schunk (2008), who argued that people have a fairly good idea of the amount of pension benefits needed to live comfortably in retirement. The levels of disagreement by respondents give an impression of them of under-saving for retirement. This was reinforced by some of the interviewees who assert that: 2014 pension reforms act constitutes a lousy creation from the government to pensioners. In fact, it can be likened to being sacked letter shortly after retiring (Interviewee 3). This was supported by another interviewee who said: I have preference for the previous pension scheme as it is better by far than the 2014 pension scheme and is a lifetime benefit. Whereas, the 2014 pension scheme is within a short time frame (Interviewee 4).

## CONCLUSION

The study concluded that workers in Osun State had a negative perception towards 2014 Pension Reform Act, primarily due to lack of awareness, poor communication and lack of adequate information about the progress to employees. It recommended that the government should enforce strict compliance, improve communication, ensure timely pension payments to restore workers' confidence in the scheme. Also it was found that, the period of enjoyment of the policy is limited compared with the old pension scheme which is throughout life time and workers should not rely on Nigeria pension schemes for their retirement because is not reliable

compare to old pension scheme which is lifetime. Moreso, 2014 pension reform act need to be review, after ten (10) years of enactment.

## **POLICY RECOMMENDATIONS**

Based on the aforementioned findings of this study, the followings are hereby recommended:

- 1) Government should create Information and Communication Technology (ICT) Centers to provide access to regular account balances, account statements and retirement plan advice
- 2) There should be complaint centers across every local government
- 3) Increased awareness on social orientation, seminar/workshops, conferences, etc. would go a long way to sensitizing the general public on the benefits of the new pension scheme.
- 4) The regulator (National Pension Commission) should enforce relevant sanctions of the Pension Reform Acts on defaulting employers to improve on current compliance levels.
- 5) Employers should prepare employees for retirement through a program of training and counselling on entrepreneurship and post retirement life; and
- 6) There should be Laws/Act to mandate the use of extra fund from the federal government to the States for funding pension arrears

## **Suggestions for the Study**

The study suggested that there should be a review of 2014 pension policy so as to bring about effective implementation in all States of the federation.

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