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Contributory Pension Scheme and Retirement Livelihood of Nigerian Federal Public Sector Pensioners

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ABSTRACT
This study investigated the retirement livelihood of federal public sector pensioners deriving benefits under the Contributory Pension Scheme (CPS) operating in Nigeria since 2004. The objectives are to find out whether the retirement benefits received by pensioners under the Scheme are commensurate with their contributions and accruals from pension investment as well as to ascertain if such benefits sustain their retirement livelihoods. Descriptive survey was the research design; and four-point Likert scale was used to sample the opinions of 372 federal public sector pensioners drawn from Anambra, Enugu and Imo States through multi-stage sampling methods, comprising of stratified sampling, purposive/judgmental sampling, snowball and quota sampling. Analysis of the data, using descriptive statistical tools (frequency count, simple percentages, mean ratings and standard deviation) revealed that there is worrisome delay between the time employees retired and when they began to receive retirement benefits under the Scheme; and that the retirement benefits pensioners received under the Scheme are grossly inadequate to cater for their retirement livelihoods in the face of the downward spiral of the value of the national currency and exponential rise in inflation. It means, therefore, that pensioners still suffer deprivation and hardship; and that the pristine objective of the Scheme, which is to "ensure that every person who worked in either the Public Service of the Federation, Federal Capital Territory, States and Local Governments or the Private Sector receives his retirement benefits as and when due" is not being realized. In view of the foregoing findings, the researcher recommends the commencement of payment of retirement benefits even if all the components of a retiree's retirement savings account are not handy at retirement. It is also important to increase the amount of pension and retiree life annuity to march the present economic realities.

KEYWORDS: pension; contributory pension scheme; retirement benefit; retirement livelihood

I. INTRODUCTION

Period of retirement is supposed to be a blissful phase in the life of every worker. This is because it affords employees the opportunity to rest after years of service, while leveraging on the retirement benefits they receive. However, life after retirement is one of the major issues agitating the minds of Nigerian workers.

Retirement literature are awash with reports about the suffering of Nigerian pensioners and of many dying because of their inability to cater for their livelihoods during old age (Ejembi, 2016; Eme & Ugwu, 2011; Idowu & Olanike, 2010; Oyedele, 2013). Even though a study by Nwagwu (2013) found that the payment of retirement benefits, once commenced, is prompt under the Contributory Pension Scheme; and the investment of pension funds by the PFAs has resulted in increased retirement benefits, the fact remains that the amount of monthly pensions and retiree life annuity received by retired public servants in Nigeria pales to insignificant when juxtaposed against the salaries they received while working and the multifarious needs they have to meet.

There are still, therefore, concerns as per whether the amount received as pension and retiree life annuity by Nigerian pensioners is commensurate with their contributions to their retirement savings accounts (RSA) during their working lives and accruals from the investment of pension funds. Similar concern is whether the retirement benefits received by pensioners under the Contributory Pension Scheme (CPS) sustain the retirement livelihoods of public sector pensioners amidst of the dwindling value of the national currency, increasing rate of inflation in the country and the failure of the Federal Government to review pensions upward "every five years or together with any Federal civil service salary reviews, whichever is earlier" as provided for in section 173(3) of the Constitution of the Federal Republic of Nigeria (as amended).

The thrust of this study is to explore the post-retirement living conditions of Nigerian public sector pensioners who retired between July 2007 and December 2020 and are living in the South-East geo-political zone of Nigeria. This study interrogated the extent to which the retirement benefits they derive under the Pension Scheme sustains their retirement livelihoods.

II. PROBLEM STATEMENT AND RESEARCH QUESTIONS

Contrary to the objectives of the CPS, which are to (a) ensure that every person who worked in either the Public Service of the Federation, Federal Capital Territory or Private Sector receives retirement benefits as and when due, and (b) assist improvident individuals by ensuring that they save in order to cater for their livelihood during old age, Nigerian public sector pensioners have continued to suffer "unbearable lives of not being able to meet their social needs" (Idowu & Olanike, 2010, p. 2). Retirement literature are awash with reports about the sufferings of pensioners and their inability to cater for their livelihoods during old age (Ejembi, 2016; Eme & Ugwu, 2011; Oriwofomo, 2006; Oyedele, 2013).

Immediately an employee retires, he/she stops receiving salary, yet the waiting time between retirement and commencement of payment of retirement benefits to retirees under the Contributory Pension Scheme has increased tremendously. Within the interlude between retirement and commencement of payment of retirement benefits, retirees who did not have other means of livelihoods faced excruciating consequences. When eventually the payment of retirement benefits commences, the amount of pension and retiree life annuity received by pensioners under the Scheme are far less than the salary they received prior to retirement.

With the downward spiral of the value of the national currency and the increasing rate of inflation in the country (17.33% as at March 2021), the failure of the Federal Government to increase the rate of pension "every five years or together with any Federal civil service salary reviews, whichever is earlier" in accordance with the provisions of section 173(3) of the Constitution of the Federal Republic of Nigeria (as amended) has exacerbated the precarious financial situation of most pensioners thereby making it overly necessary to interrogate the management of life after retirement by public sector pensioners under the CPS.

Against the backdrop of the foregoing problems, this research seeks answers to the following research questions:

1. Are the retirement benefits received by pensioners under the Contributory Pension Scheme (CPS) commensurate with their retirement savings accounts (RSAs) contributions and accruals from pension fund investment by the pension fund administrators?

2. To what extent do the retirement benefits received by federal public sector pensioners under the Contributory Pension Scheme sustain their retirement livelihoods?

III. RETIREMENT BENEFITS UNDER THE PENSION SCHEME

In order to cater for the livelihoods of retired workers, the Pension Reform Act of 2014 made provisions for payment of retirement benefits to pensioners. Section 7 of the Act contains very elaborate provisions regarding the range of benefits retirees shall derive under the Scheme. Subsection (1) of section 7 provides that a holder of a retirement savings account shall upon retirement or attaining the age of 50 years, whichever is later, utilize the amount credited to his retirement savings account for the following benefits:

(a) Withdrawal of a lump sum from the total amount credited to his retirement savings account, provided that the amount left after the lump sum withdrawal shall be sufficient to procure a programmed fund withdrawal or annuity for life; in accordance with the Guidelines issued by the Commission, from time to time; or

(b) Programmed monthly or quarterly withdrawals calculated on the basis of an expected life span; or

(c) Annuity for life purchased from life insurance company licensed by the National Insurance

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Commission with monthly or quarterly payments in line with Guidelines jointly issued by the Commission and the National Insurance Commission.

A retiree under the Contributory Pension Scheme can choose between a zero lump sum payment and a maximum lump sum, calculated using the programmed withdrawal template before the purchase of either programmed withdrawal or retiree life annuity (NAICOM & PenCom, 2020).

Where an employee who is under the age of 50 retires or disengages from service voluntarily, or he is disengaged from employment, section 7(2) of the Act provides that such individual may, with the approval of the National Pension Commission, withdraw an amount of money not exceeding 25 per cent of the total amount credited to his/her RSA, provided that such withdrawals shall only be made after four months of such voluntary retirement or cessation of employment; and the employee does not secure another employment. Such employee could as well access the balance in his/her retirement savings account (RSA) in accordance with subsection (1) above. Similar provisions are made under section 16(2) in respect of those who retired, disengaged or are disengaged from employment on the advice of a suitably qualified physician or a properly constituted medical board, certifying that such employees are mentally or physically incapable of carrying out the functions of their office, and those who suffered total or permanent disability either of the mind or body.

One can withdraw more than 25 per cent of the amount credited to one's RSA, provided the amount left in the RSA after that lump-sum withdrawal shall be sufficient to fund a programmed withdrawal or annuity of not less than 50% of the retiree's annual remuneration as at the date of retirement. Within the period of the programmed withdrawal, the RSA balance is being re-invested by the PFA to generate more income/funds for the retiree.

A retiree can buy annuity contract by paying a portion of his/her retirement benefits as premium to an insurance company, which in turn provides the monthly/quarterly payments (annuity), subject to the Regulations jointly issued by the National Insurance Commission and National Pension Commission (section 7(1)(c) of the Pension Reform Act, 2014).

Retirees with RSA balance of N550,000.00 and below are allowed to withdraw their RSA balance at once (as en bloc payment) subject to the Commission's review from time to time (NAICOM & PenCom, 2020). A retiree whose RSA balance is exhausted may be eligible for the payment of Guaranteed Minimum Pension (GMP) through the implementation of the Minimum Pension Guarantee (MPG) as provided for in section 84 of the PRA, 2014 (PenCom, 2019a; NAICOM & PenCom, 2020). This is the lowest benchmark of pension which an eligible retiree should receive as minimum pension under the CPS.

The import of the foregoing is that no employee who is under the Scheme shall receive as pension, an amount that is less than 50 per cent of the total amount of salary he/she got prior to his/her retirement. The essence is to ensure that retirees will sustain their livelihoods by leveraging on their pensions.

While the researcher concurs with the rationale for the foregoing measures, no known efforts have been made to investigate the adequacy or otherwise of retirement benefits, be it lump sum payment, programmed withdrawal or life annuity, to cater for and sustain the retirement livelihoods of Nigerian pensioners.

According to National Pension Commission (2019b), the number of retirees who opted for programmed withdrawal increased from 200,747 to 233,493 from 31 December 2018 to 31 December 2019. Further breakdown of the figures showed that 132,399 or 56.70 % were Federal Government of Nigeria (FGN) retirees. The number of States employees who retired within the period was 20,194 or 8.65 %, while the private sector accounted for 80,900 or 34.65 %.

A total of 13,153 contributors retired under life annuity and received a total sum of N24.92 billion as lump sum, and paid premium of N78.44 billion to insurance companies in exchange for monthly annuity payments of N817.62 million. The Commission also granted approval for en bloc payment of RSA balances amounting to N2.35 billion that were insufficient to provide at least 50% of last emoluments as monthly pension of 10,511 retirees either by Programmed Withdrawal or Annuity. Therefore, the cumulative en bloc payment to retirees from inception of the Scheme in 2004 to date was N28.15 billion to 113,527 retirees (National Pension Commission, 2019b).

The rationale for payment of retirement benefits is to prevent a sudden sharp drop in the financial capacity and living standard of workers as would happen with the stoppage of their monthly salary and allowances after retirement. Armstrong (2010) further underscored the importance of pension in the management of post-retirement life of employees when he noted that it helps them to

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readjust themselves properly into the society after leaving employment by catering for their well-being and living condition.

Other importance of retirement benefits abound. For instance, according to Fapohunda (2013, p. 26), "Pension is a tool used to manage employment. It can be applied in an organization to attain and retain certain levels of labour productivity." It is an important tool used by the management of organizations in boosting employees' morale; and it leads to efficiency and increased productivity of the employees in particular and the organization as a whole. It also relieves pressure on the organization for individual assistance by instilling in employees, a sense of confidence at challenging responsibilities for their future. Stern (2006) opined that payment of pensions could discourage labour turnover.

Under the CPS, pension funds are warehoused by the Pension Funds Custodians and managed by Pension Funds Administrators (sections 54 and 56 of the Pension Reform Act, 2014). The rates of return on pension fund investments by the PFAs vary from year to year, based on the economic outlook and performance of the Nigerian financial markets, which is a major pension funds investment portfolio as well as the investment strategies of the various Pension Fund Managers. But all income earned from investment of pension funds under the PRA 2014 is remitted into the RSAs of contributors from which entitlements are paid (National Pension Commission, 2019b).

A study by Nwagwu (2013) found out that the investment of the contributory pension funds by the PFAs generated additional pension benefits to pensioners in federal universities in South-Eastern Nigeria. What has, however, not been ascertained is whether, even in the face of the purported increment in retirement benefits as a result of the investment of pension funds, the amount paid out to pensioners was commensurate to their contributions and earnings from such investments and therefore enough to cater for their retirement livelihoods.

IV. RETIREMENT LIVELIHOODS OF NIGERIAN PENSIONERS

It was expected at the inception of the CPS in 2004 that the Scheme will ensure sustained payment of sufficient retirement benefits to pensioners who are covered by the Scheme as and when due in order to cater for their livelihoods. Though there is no indication of any empirical investigation of the extent to which such retirement benefits have catered for the retirement livelihoods of pensioners under the CPS, livelihoods have been a source of extensive debate among scholars and development experts because of its effect on the living conditions of individuals and groups (Carney, 1998; Ellis, 1998; Francis, 2000).

The term, livelihood, has been variously conceptualized by scholars. Carney (1998) defined livelihood as comprising the capabilities, assets (including both material and social resources) and activities required for a means of living. According to Ellis (1998), livelihood comprises the various activities, assets, and resources that jointly determine the living gained by an individual or household. It includes "the capabilities, assets, (stores, resources, claims, and access) and activities required for a means of living" (Chambers & Conway 1992, pp. 7-8). They are simply ways of earning money in order to live, or means of support or subsistence.

Livelihoods encompasses so much things other than income. They are means of gaining access to adequate stocks and flows of resources (food, cash, and opportunities) to meet basic needs. As evident in the definitions proffered by Ellis (1998) as well as by Chambers and Conway (1992), livelihoods are the capabilities and assets acquired, and activities indulged in by people to sustain their living conditions and well-being. Livelihood strategies are therefore the planned activities that people undertake to build their livelihoods.

Retirement livelihoods are the means of securing the necessities of life by those whose working life has ended, such as retirees' capabilities, assets, income and activities they engage in, in order to sustain their life. They cover all legitimate and socially approved means of gaining access to material and non-material resources required for sustainable living. They also encompass the means of earning a living or ways of supporting life and meeting basic needs (necessities) after paid employment.

Studies by Akeredolu-Ale and Aribiah (2001) and Moody (2012) found out that the quantum and quality of livelihoods are key predictors of quality of life in retirement. In fact, according to Moody (2012) and Novak (2012), livelihoods do not only influence access to material resources; they also affect every aspect of a retiree's life. Older people without adequate livelihoods tend to be poor, vulnerable, and dissatisfied with life (Amaike, 2009; Togonu-Bickersteth, 2014).

The above studies have dwelt bountifully on livelihood strategies indulged in by serving and

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retired workers across Africa. Mustapha (1991), in particular, looked at Nigerian situation, but it never studied livelihood strategies of pensioners who are under the Contributory Pension Scheme. Also, his study was not designed to find out whether or not retirement benefits received by pensioners under the Scheme catered for their retirement livelihoods. That creates a gap in literature which this study has filled.

According to Novak (2012), retirees' livelihoods play a significant role in determining their quality of life. This means that inadequate retirement livelihoods (usually public pensions) may not sustain retirees' living conditions and thus undermine their quality of life. The amount and quality of retirees' livelihoods are dependent on socio-economic status, gender, age, access to alternative resources, property ownership or assets, and retirement age (Amaike, 2009; Novak, 2012; Ogunbameru, 2000). For example, men tend to have greater access to sustainable livelihoods (income, employment, and assets) than women. This edge often translates into better quality of life for men in retirement. Women, on the other hand, are more likely to be without such access, opportunities, and valuable assets in retirement because of poor socio-economic status, disrupted work trajectories, and cultural constraints (Togonu-Bickersteth, 2014).

V. THEORETICAL FRAMEWORK

The study is anchored on the Multiple Modes of Livelihood Approach (MMLA) conceived in 1991 by Abdul Raufu Mustapha. The approach developed from the Sustainable Livelihoods Approach (SLA); and it has become one of the most widely used livelihoods frameworks in development practice, typically meant to explain micro-economic condition as it affects the developing countries, especially Africa.

The basic argument of the MML approach is that macro-level economic changes across the Third World countries have created the environments for individuals and households of all social and economic backgrounds to diversify their sources of income. Consequently, people tend to pursue disparate livelihood outcomes by drawing on a range of assets to pursue a variety of activities based on their own preferences and priorities.

Multiple modes of livelihoods refers to survival strategies and activities people engage in to alleviate financial insufficiency, pressure and hardship (Mustapha. 1991). They are means of gaining additional earnings through getting involved in additional jobs or commercial ventures. The MML approach is, therefore, a framework for capturing the diversified means of raising extra income through acquisition of additional jobs, not only by the unemployed but also by those sections of the population dependent on fixed salaries (Mustapha, 1992; Musyoki & Orodho, 1993).

The framework identifies five types of capital assets that constitute livelihood building blocks, which people can build up and/or draw upon so as to improve their livelihoods as human asset, natural asset, financial asset, social asset and physical asset. To a limited extent, these assets can be substituted for each other. Thus, the poor may draw on social capital, such as family or neighbourhood security mechanisms, when financial capital is in short supply.

Within this context, people are likely to pursue multiple activities and outcomes. They may, for instance, depend on their own farming, on selling their labour locally, or on migration, all within the same year. Outcomes will not be simply monetary, nor even tangible in all cases. They may include, for instance, a sense of being empowered to make wider or clearer, choices.

In fact, as Owusu (2001, 2007) rightly noted, salaries and pensions are grossly inadequate to offset people's bills due to low income and gruelling macro-economic policies that occasioned inflationary flight and increased cost of living. Hence, those who are still working and those retired from paid employment are devising means of raising alternative incomes to augment their emoluments and retirement benefits.

Little wonder pensioners are striving to address their challenges and improve their quality of life by adopting various livelihood and coping strategies designed to respond to shocks in the short term, and adaptive strategies designed to improve their circumstances in the long term. Individuals and households across Africa have responded differently to these macro-economic processes based on the nature of their employment, skill, access to resources, socio-economic background and place of residence. Public and private sector employees and retirees have also attempted to diversify their sources of income, although the motivations for doing so vary (Owusu, 2001; Kazimbaya-Senkwe, 2004). Some have ventured into farming (e.g. food crops, fishery, poultry, goat faming and others), establishment of schools, vocations trainings, like sewing, knitting, baking, events planning and more; rendering of consultancy services, investment in landed property, opening a supermarket or a shop, laundry services and others (Mustapha, 1992).

Although involvement in multiple economic activities has a long history in Nigerian society, recent economic conditions have led to the intensification of the practice, bringing the professional class which traditionally was not part of this practice into the dynamic.

Studies by Bigsten and Kayizzi-Mugerwa (1992) and Chew (1990), which chronicled the effects of increased civil servants' involvement in multiple livelihood strategies in Uganda, showed that only a small share of the total household income (17 percent) actually comes from wages. Specifically, only 19 percent of the incomes of households headed by public sector employees come from wages compared to 28 percent for private sector employees. In addition, public sector households get a relatively higher percentage of their income from "business" and farming than those employed in the private sector. According to them, many civil servants in Kampala engage in urban agriculture and poultry keeping, own taxis, or operate small kiosks. Chew (1990) observed that when the basic salary and allowances of civil servants dropped in Uganda, workers resorted to fraudulent practices in a more blatant way including, increases in kickbacks on government purchases, illicit payments for non-enforcement of laws and regulations, diversion of public goods into private hands, and bribes for licenses and permits.

The MML approach has a wide applicability, even in developed countries. Quadagno (2005) underscored this fact when he noted that since the elimination of the earning test for social security recipients in the United States, retirees and elderly people have been able to earn their social security benefits and at the same time, engage in some other jobs to earn more income.

VI. METHODS OF THE STUDY

Descriptive survey research design involving the use of structured instrument for data collection was adopted. The researcher sampled the opinion of 372 pensioners drawn from the population of federal public sector pensioners living in Anambra, Enugu and Imo State of South-East geo-political zone of Nigeria, using multi-stage sampling methods involving stratified, purposive, and snowball sampling methods; and studied them in their natural environment.

The research instrument contained Likert scale items with strongly agreed (SA), agreed (A), disagree (D) and strongly disagreed (SD), rated 4, 3, 2 and 1 respectively. The instruments were administered through face-to-face method of administration to federal public sector pensioners living in the three States. The researcher personally administered the instruments to the sampled respondents at their homes and locations. Completed questionnaire were retrieved immediately. Instruments which could not be immediately completed were retrieved later.

Prior to instrument administration, the validity of the questionnaire was tested using logical validation method (construct validity) and pilot study. The reliability of the instrument was tested with test re-test correlation method and the result indicated 0.82 coefficient of correlation, which is an indication that the instrument was stable and reliable. Descriptive statistical tools (i.e. frequency counts, percentages, mean ratings, and standard deviation) were used in analyzing the research data.

VII. DATA PRESENTATION AND FINDINGS

Out of the 396 copies of the questionnaire administered to the sampled pensioners, 372 representing 93.94 percent were duly completed, returned and used. 13 questionnaire were not returned, while 11 were improperly filled. Hence 24 questionnaire were discarded. The rate of instrument return recorded in the study is 93.94 percent.

Table 1: Time Lag before Commencement of Payment of Retirement Benefits

S/N	Items	SA	A	D	SD	$\overline{X}$	STD	Remarks
1.	Pensioners under the CPS receive retirement benefits once they retired.	46 (12.37%)	67 (18.01%)	153 (41.13%)	106 (28.49%)	1.93	0.99	Disagreed
2.	Pensioners receive retirement benefits less	37 (9.95%)	77 (20.70%)	160 (43.01%)	98 (26.34%)	2.14	0.92	Disagreed

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	than six months after their retirement.							
3.	More than 12 months passed before retirement benefits are paid.	128 (34.41%)	129 (34.68%)	65 (17.43%)	50 (13.44%)	2.9	1.02	Agreed
4.	Payment of monthly pension is prompt and regular once retirement benefits payment starts.	164 (44.09%)	148 (39.78%)	34 (9.14%)	26 (6.99%)	3.21	0.87	Agreed

Table 1 shows that the respondents agreed with items 3 and 4, but disagreed with 1 and 2. They disagreed that pensioners under the CPS receive retirement benefits once they retired. They also disagreed that pensioners receive retirement benefits less than six months after their retirement. However, they agreed that more than 12 months passed before retirement benefits are paid; and that payment of monthly pension is prompt and regular once retirement benefits payment starts. The implication is that there is protracted delay in the commencement of payment of retirement benefits to pensioners under the contributory pension scheme in Nigeria even though many of the retirees have no other means of income having lost their paid employment.

Table 2: Adequacy of Monthly Pension/Retiree Life Annuity

S/N	Item	SA	A	D	SD	$\bar{X}$	STD	Remarks
1.	Monthly pension/retiree life annuity is up to 50 percent of the salary you received prior to your retirement.	16 (4.30%)	24 (6.45%)	98 (26.34%)	234 (62.90%)	1.52	0.8	Disagreed
2.	Pension amount is commensurate with pensioners' contributions to their RSAs.	111 (29.84%)	136 (36.56%)	48 (12.9%)	77 (20.7%)	2.76	1.1	Agreed
3.	Investment of pension funds by PFAs has resulted in increased	109 (29.3%)	153 (41.13%)	76 (20.43%)	34 (9.14%)	2.91	0.93	Agreed

	pension payment.							
4.	Pensioners are paid additional retirement benefits by their employers.	8 (2.15%)	23 (6.18%)	107 (28.76%)	234 (62.9%)	1.48	0.71	Disagreed
5.	Federal Government has increased pensions since the introduction of the CPS in 2004.	133 (35.75%)	126 (33.87%)	43 (11.56%)	70 (18.82%)	2.87	1.1	Agreed

As shown in Table 2, the respondent pensioners agreed that the monthly pension/retiree life annuity is up to 50 percent of the salary they received prior to your retirement, that the amount of pension is commensurate with pensioners' contributions to their RSAs, and that investment of pension funds by PFAs has resulted in increased pension payment. They however disagreed that they are paid additional retirement benefits by their employers and that the Federal Government of Nigeria has increased pensions since the introduction of the CPS in 2004 in line with the provisions of section 173(3) of the 1999 Constitution of the Federal Republic of Nigeria as amended. The effect of the foregoing findings is that Nigerian pensioners still suffer excruciating poverty and privation on account of increasing rate of inflation.

Table 3: Adequacy of Pension/Retiree Life Annuity in Sustaining Retirement Livelihoods

S/N	**Items**	**SA**	**A**	**D**	**SD**	$\bar{X}$	**STD**	**Remarks**
1.	Pensioners rely on their retirement benefits to sustain their retirement livelihoods.	97 (26.08%)	42 (11.29%)	105 (28.23%)	128 (34.41%)	2.29	1.19	Disagreed
2.	Pensioners have other means of augmenting their monthly pension.	132 (35.43%)	144 (38.71%)	60 (16.13%)	36 (9.68%)	3	0.95	Agreed
3.	The amount of pension received by pensioners is enough to cater for their basic needs.	8 (2.15%)	25 (6.72%)	157 (42.2%)	182 (48.92%)	1.62	0.7	Disagreed

Table 3 shows that Nigerian pensioners do not rely on their monthly pension or retiree life annuity to sustain their retirement livelihood. Instead, they have other means of augmenting their monthly pension as shown in item number 2 to which a total of 176 respondents amounting to 74.14 percent of all the respondents agreed that they have other means of augmenting their monthly pension. Further attestation to this is evident in items 1 and 3 to which the respondents disagreed. For instance, they disagreed that they rely on their retirement benefits to sustain their retirement livelihoods and that the amount of pension they received was enough to cater for their basic needs.

VIII. CONCLUSIONS AND RECOMMENDATIONS

Protracted delay in the commencement of payment of retirement benefits constitutes a major source of stress to retirees under the CPS. Within the interlude between retirement and receipt of retirement benefits, those without other means of livelihoods underwent severe financial hardship and were unable to cater for their livelihoods.

Again, the amount of pension and retiree life annuity received by pensioners under the Scheme is found to be grossly inadequate to cater for their retirement livelihoods, particularly in view of the falling rate of the national currency and rising rate of inflation. The failure of employers to pay their retired personnel additional retirement benefits pursuance to the provisions of section 4(4)(a) of the PRA 2014, and the lethargic disposition of the Federal Government towards increasing pension in line with the provisions of section 173(3) of the 1999 Constitution of the Federal Republic of Nigeria (as amended) have all compounded the situation.

Against the backdrop of the foregoing findings, the following recommendations are made:

1. The payment of retirement benefits should commence even where all the components of the RSA are not readily available at retirement. This will help to save retirees from the agonies of having to go without salary and pension for many months prior to the commencement of payment of retirement benefits under the Scheme. It is therefore expedient to amend the Pension Reform Act of 2014 to provide for three (3) months maximum waiting period between retirement and commencement of payment of retirement benefits.
2. The Federal Government should desist from further borrowing of pension funds in order to curb the protracted delay in the commencement of the payment of retirement benefits as well as depleting the amount of pension and retiree life annuity received by pensioners.
3. Pensions and retiree life annuity should be increased every five years in accordance with the provisions of section 173(3) of the Constitution and section 15(4 of the PRA 2014. Employers should equally endeavour to pay those who retired from their establishments additional pension. These measures would help in cushioning the effect of inflation on pensioners' retirement livelihoods and waning purchasing power of naira.

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