

Governments' Pensions Management and Socio-Economic Status of Pensioners in Akwa Ibom State, Nigeria

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ABSTRACT: The study set out to investigate the impact of governments' Pension Management on the Socio-economic status of Pensioners in Akwa Ibom State, Nigeria. To aid the study, three (3) research questions were formulated. The research design adopted for the study was mainly survey method. The methodology of the study involved the use of both primary and secondary sources of data. The primary data was obtained through the administration of 432 questionnaires to retired Civil Servants in the State. Descriptive statistics was used in the analysis of data. Social Responsibility theory was the philosophy guiding this study. The study was able to establish that State governments in Nigeria contributes immensely to the down grading of retirees due to irregular payment of retirement benefits which has been the major source of retirees' livelihood and provision of basic need including accommodation. The study recommends urgent passage of pension legislation to effectively guide the management of pensions in the States to enhance the improvement of socio-economic status of retirees.

Keywords: Retirement, Pensions, Management, Socio-economic Status

I. INTRODUCTION

The concept of 'retirement' evokes a mixed up of feelings in people depending on the economy one is operating in. Japan for instance has a policy of life time employment. This does not mean that the Japanese work all through life. The nation sees every individual living as capable of doing something that can sustain life at any age. Retirement in Japan is not a dramatic transition. It merely signifies a change in the form or place of work. Under such circumstances, workers may choose to retire early from paid employment and engage in other forms of work. In the United States of America, retirement is well institutionalized to the extent that bottlenecks in the pension schemes are reduced to the barest

minimum (Beehr& Adams, 2003). At retirement, workers have access to social security benefits and private pensions from employers.

More than 50% of American retirees and elderly people rely solely on social security benefits for sustenance. The social security policy has been a public pension scheme and welfare package for retirees and aged individual given by the American government which is mean to be supplement as retirees have access to other sources of income at retirement. The policy also has other features including disability insurance and life insurance for children in case of parental demise (Beehr& Adams, 2003).

Many countries of the world in compliance with the policies of the World Bank of ensuring effective retirement benefits administration for the good of the employers, employees and government in general, have endured by putting up a reliable structure to ensure total reform of their pension schemes.

The scenario is different in some under-developing economics like Nigeria where workers are treated as guests while in employment and as pests when they retire. Retirement connotes nightmare in Nigeria (Quadagno, 2005). It is worthwhile to mention that it was only in 2004 that the Nigerian government realized the gains associated with proper regulation of the retirement issues, with the introduction of the Pension Reform Act 2004, which was repealed in 2014 with the enactment of Pension Reform Act 2014. The efforts of the Federal government of Nigeria has not resulted in the improvement of the welfare of workers, particularly among retirees from States in the Country, due to the failure of State governments to implement the pensions legislation in their respective states for the well-being of retirees. Lack of uniformity in the regulation of pensions has been identified in part as the cause of untold hardship currently being faced by many retirees. In specific terms, retirement in Nigeria is

associated with some kind of calamity that awaits all workers, hence, there is always an attempt by the workers to postpone the calamity day by falsifying dates of births and switching employment to commence with a new date of birth. The nightmare associated with retirement in Nigeria is fueled by what retirees go through. These range from several unnecessary bureaucratic processes such as capturing for verification and re-verification, non-payment of gratuities through delays in payment of pension to long delays spanning years in non-payment of pension benefits (Nwanegbojaja, 2007).

Indeed, retirement has been acknowledged as the phase of life that every employee must reach whether prepared for or not. It is the point in time when an employee chooses to leave his or her employment permanently (which could be voluntary or involuntary). It coincides with the employee's eligibility to collect retirement resources ranging from social security benefits to company pensions etc. It is a period in time whereby one's effort in an organization and role as a paid worker ceases (Agoro, 2009; Ahmed, 2007; Bassey and Asinya, 2008). This can be as a result of ill-health, age or statutorily completing the number of years stated in the conditions of service. With the reform of Civil Service, Decree No. 43 of 1988 put retirement age of workers in Nigeria at 60 years or 35 years in service, whichever comes first, must strictly be respected. The need therefore arose to carefully and adequately manage these categories of workers who gave most of their life, time and efforts to the actualization of organizational growth and its development. Thus, it presents worst situation when the retirees are not sufficiently prepared through training, skill acquisition and entrepreneurship to face this ultimate phase of life to ensure the sustenance of their socio-economic status at retirement. It is therefore the primary concern of this paper to carryout an assessment of governments' pensions management and socio-economic status of pensioners in Akwalbom State, Nigeria with particular reference to the nature of retirement, payment of pensions and accommodation as the determining variables.

1.1 Objectives of the Study

Generally, the objective of the study was to examine the impact of government pensions management and socio-economic status of pensioners in Akwalbom State, Nigeria. Specifically, the study sought to:

- i. Explore the nature of Akwalbom State Civil Service retirement,

- ii. examine impact of regularity of the payment of pensions in Akwalbom State; and
- iii. Assess the impact of pensions payment on the accommodation needs of pensioners in Akwalbom State.

1.2 Research Questions

The following research questions were raised to guide the present investigation:

- i. What are the nature of Akwalbom Civil Service Retirement.
- ii. Do retirees from the Akwalbom State Civil Service receive their pensions regularly?
- iii. What is the nexus between pensions payment and accommodation needs of pensioners in Akwalbom State.

II. REVIEW OF RELATED LITERATURE

2.1 The Concept of Retirement

The Concept of retirement is applicable to this study and according to Schuster and Ashburn (1980), retirement has different meanings and interpretations. First, it could be seen as an event that occurs at the end of a specified work period. Secondly, those individuals (usually over age 60) who have experienced difficulty in obtaining employment may after a period of time consider themselves to be retired. The above assumptions implied that the choice of meaning and the interpretation of retirement vary, but all imply the concept of separation from regular/full time employment.

Abdulazeez (2015) is of the view that retirement is a process that separates an individual from a job role or as termination of a pattern of life and a transition. Old age, poor health, social pressure or introduction of a new policy by government could be some of the causes of the separation. Retirement is the point where people leave paid employment completely.

In the views of Kemps and Buttle (1979) cited in Ubangba and Akinyemi (2004), retirement is a transfer from one way of life to another. They noted that many people suffer from retirement shock such as a sense of deprivation during the early period of their retirement. In the opinion of Olusakin (2016), retirement involves a lot of changes in value, monetary involvements and social aspects of life. Olusakin further noted that for some retirees, it leads to termination of a pattern of life and a transition to a new one. However, Billings (2014) described retirement as the transition from first adulthood to second adulthood which is often a jarring and unsettling experience. It is very clear that many people choose to retire

when they are eligible for private or public pension benefits, although physical conditions like accident which incapacitates them may not allow the person to work anymore. In modern times, many Countries of the world have developed systems that provide pensions to workers on retirement which are usually sponsored by the employer or the State. Today, retirement with pension is considered a right of the worker in many societies.

The Standard retirement age varies from Country to Country, but it is generally between 55 and 70 years. Nwajagu (2007) as cited in Abdulazeez (2015) identified three ways in which a civil/public servant may retire. These are voluntary retirement; statutory retirement and compulsory retirement.

- (i) Voluntary or Self-retirement occurs when an individual decides to quit active service for personal reasons irrespective of age, experience, length of service or retirement policies. This type of retirement depends more on the employee than the employer.
- (ii) Compulsory or forced retirement is a situation in which an individual is compelled to retire against the individual's expectation and when he is not prepared for it. It is usually viewed negatively in that, it is unplanned and reasons might include inefficiency, old age, ill health, indiscipline, need for reduction of the workforce and other government policies.
- (iii) Mandatory retirement is the normal (expected form) in the sense that the person involved has reached the statutory age of retirement as specified in the condition of service of the establishment or has served the maximum number of years in service as stated in the Public Service Rules (PSRs).

2.2 CHARACTERISTICS OF RETIREMENT

Certain conditions must be met before an employee can be said to be retired. In the Nigerian context and according to Akpanmkpuk (2011), retirement depicts the expiration of terms of employment without consideration for age, issuance of a letter terminating the contract of employment of the workers cessation of monthly remuneration of salary, thus giving way for entitlements such as pension and issuance of an identity card to the retiree as a retired employee of the said organization. Except in a situation of exit by reason of misconduct on the part of the employee, all of the above should be followed religiously by the employer as the employee quits service.

Contrary to Akpanmkpuk, retirement has a lot to do with age in the Nigerian Civil Service. That is evident in the fact that the statutory retirement time is pegged on attainment of certain age. Moreover, mandatory retirement may not necessarily be perceived by all civil service retirees as a form of employment termination.

2.3 REASONS FOR RETIREMENT

A number of studies have analysed the basis for retirement, not only in Western nations, but also in Africa and specifically in Nigeria. Some of these are based on the levels of development in different parts of the world, while other reasons given bear elements of similarity across the globe. All the literature reviewed in this aspect reiterated the crucial positions of finance and health in retirement decision (Adedokun, 2010; Ali, 2014; Akpanmkpuk, 2011, Eremie, 2015; Fapohunda, 2013; Garba&Mamman, 2014; Hatcher, 2004; Lloyd & Robbins, 2014; Moody & Sasser, 2012). This further underscores the importance of finance in the post-retirement life, therefore, justifying the much emphasis laid on it in many retirement studies.

According to Knoll (2011), the decision to retire as often times people do in America is usually based on health and financial status of the individual workers. Beechr and Adam (2003) also argue that the two main issues individuals consider before deciding on retirement are finance and health. People with poor health, or whose loved ones are disadvantaged health wise, tend to retire earlier, those with good health, work for more years. This is in line with the assertion by short and College (2002) that illness, disability and old age are cost ineffective for a work. Knoll (2011) further states that, certain researchers in behavioural economics and in judgement and decision making have shown that there are other factors that influence people's retirement decisions apart from their economic and health status. These factors are mainly based on individual's attitude. Some retire as a result of being fed up with their jobs. Incidentally, the ages this usually occurs in the United States of America is when workers are between 62 and 65 (Knoll, 2011). Knoll argues that these are the significant ages in terms of having access to social security policy; access to it is determined by age at retirement. As would be discussed shortly, claims from social security stand as the income for most retirees in America (Knoll, 2011; Moody & Sasser, 2012), particularly for people who are incapable of having personal savings towards retirement.

Quadagno (2005) explains that the decision to retire from work in America is heavily influenced by policies such as the social security benefits, disability insurance and economic factors. Social Security Act of 1962 in the United States encouraged many workers to retire early, at about age 62 in order for them to benefit from the scheme. Furthermore, Quadagno explains that beyond the external factors responsible for an individual's decision to retire, there are other factors, personal to individual's decision to quit service at any given time.

According to this scholar, these factors include:

- i. **The rules guiding labour participation:** The prevailing rules directing the operation of an organization at any given time may serve as guide to people's decision to quit or remain in service. For instance, the possibilities of mergers, acquisitions, operation shutdown, and downsizing have great effects on employees' decision to quit or remain in service. These factors tend to pose threat to employees, who might be oblivious of what the future holds for them in such organization. On the contrary, where mandatory retirement at a particular age is practiced, workers may not decide otherwise when they attain such age. They are mandated to retire at such age.
- ii. **Individual's job perception:** People's feeling about their jobs also determines when and how they decide to quit. Individuals attach great importance to environments that provide opportunity to have control over one's life and offer avenue for financial security. Thus, Barnes-Farrell, (2003) maintains that the availability of an environment that allows for personal control in the workplace keeps employees longer in employment. This is consistent with Quadagno's (2005) assertion that people who enjoy better reward and control over their work environment tend to remain in service for a longer period and vice versa.

According to her, professionals with challenging tasks usually delay retirement. In a developing nation like Nigeria, this might not necessarily be the case due to the economic challenges and responsibilities individuals are faced with. If this is a true picture for all economies, then class teachers who are generally less rewarded in Nigeria ought to retire earlier than observation has shown.

Many of them with good health do retire under the mandatory arrangement, their meagre salaries notwithstanding. As much as they might

like to quit, the rate of unemployment in the society and lack of adequate savings might make such a decision less rational. As pointed out in the Cameroonian media report, secondary school teachers in Cameroon bribed their way to remain in service after attaining the 60 years age of retirement, despite the poor remuneration (All African Network, 2016). Quadagno's assertion in this wise seems to be nation or region specific.

- iii. **Health Status:** Health status of individual is a crucial determinant of decision to quit work. Workers with poor health are more likely to withdraw from service earlier than those with sound health. In a study by National Academy on an Aging Society in the year 2000, the non-working aged 60 and above reported failing health than their working age mates (Madu, 2014; Quadagno, 2005). These scholars, nonetheless, observed that fewer workers retire based on health challenges nowadays because most tasks are now less physically challenging due to technological advancement.
- iv. **Accrued Income:** Lack of adequate savings towards retirement is one bane on the decisions to retire. When income is inadequate to support life after retirement, workers tend to think less of retiring, at least not earlier than the statutory age of retirement where it is operational. In the United States, people could continue working till as late as age 69 and still benefit from the social security plan (Moody & Sasser, 2012; Quadagno, 2005). Short and College (2002) observed that more than six decades ago, white men retired earlier than the blacks because the latter were typically involved in low-skilled labour, working as farmers and labourers and were not able to accumulate enough resources to take care of their needs at retirement. Therefore, they remained in employment unlike the white men who were working in skilled occupations. This is, however, contrary to Knoll's (2011) argument that low wage workers tend to retire earlier than workers with higher pay.
- v. **Family Responsibilities:** Family consideration in retirement decision is in two parts. First, many couples who have always planned their lives and families together, are more likely to negotiate retirement decisions together (Smith & Moen, 2009). Thus, the decision to retire is not always that of the worker alone, especially if he or she is married. According to Quadagno (2005), in developed nations, couples sometimes plan their retirement to fall in the same period if they

could afford it. This arrangement is referred to as joint retirement. This is also common among couples described above. Sequential retirement occurs more in Nigeria where a partner retires while spouse continue working. Observation has shown that most Nigerian couples retire from employment at different times. This is probably due to economic conditions in the country and in the interest of their families (Adewuyi, 2008; Akpanmkpuk, 2011).

Family responsibilities as per the training of children and caring for aged parents play a vital role in retirement decision (Sterns & Kaplan, 2003; Quadagno, 2005). Couples with one or more children to train might consider this while making plans to retire under any other plan apart from the mandatory arrangement. The likelihood is for one of the couple to retire while the other works to support that retraining of their children. On responsibilities towards aged parents, Quadagno (2005) accentuates that an unmarried lady is likely to retire early if she has her aged parents to care for. The scholar, nevertheless, maintains that with limited financial backing, the lady will need to keep working in order to support her old parents. Single women, according to Quadagno, are unlikely to retire earlier than married women due to family responsibilities they single-handedly shoulder.

2.4 RETIREMENT RE-CONCEPTUALIZED

There is an emerging discussion on the manner retirement should assume in this 21st century. The abrupt exit of employees from work is being criticized in favour of a flexible departure (Adewuyi, 2003; Akpanmkpuk 2011; Moody & Sasser, 2012). Many scholars refer to this as phased retirement. Retirement in this way has the advantage of helping the intending retirees to gradually quit service by taking a longer vacation or reducing the hours or number of days spent working. It has the credit of helping retirees to adjust better to the retired status than the all or nothing approach inherent in the typical retirement proceedings presently in use in many African Nations (Adewuyi 2008, Moody & Sasser, 2012; Oniye, 2015). It has been served that an intending civil service retiree in Nigeria is fully a worker today and completely a retiree tomorrow. Studies within Nigeria have also shown that this form of retirement is a negative factor in retirees' transitional efforts (Adewuyi 2008; Oniye 2015).

Another positive result of a phased retirement is the opportunity that employees have to systematically make necessary changes before the employee finally stops working (Moody &

Sasser 2012, Quadagno, 2005), The employer could also hire the intending retiree as a consultant. In this way, the skills and experience of the employee would still be tapped by the organization. At the same time, elderly people who still desire to work can do so without being in a full time employment. Munnell (2015) is of the opinion that policy makers could reform the retirement system in use in such a manner that both employees and employers benefit better than they do under the present arrangement. She suggests that employees should, under the reforms be encouraged to work for a longer period since life expectancy has risen and make efforts to save more money.

2.5 The Concept of Pension

There are numerous definitions of the concept of pension. Some definitions are examined as follows:

According to Robelo (2002), pension is the method whereby a person pays into pension scheme a portion of his/her earnings during his working life. The contributions provide an income (or pension) on retirement that is treated as earned income. This is taxed at the investor's marginal rate of income tax. On the other hand, gratuity is a lump sum of money payable to a retiring officer who has served for a minimum period of time. A greater importance has been given to pension and gratuity by employers because of the belief that if employees' future needs are guaranteed, their fears ameliorated and properly taken care of, they will be more motivated to contribute positively to organization's output. Similarly, various government organizations as well as labour unions have emphasized the need for sound, good and workable pension scheme.

Adams (2015) asserted that pension is the amount paid by government or company to an employee working for some specific period of time, considered too old or ill to work or have reached the statutory age of retirement. It is equally seen as the monthly sum paid to a retired officer until death because the officer has worked with the organization paying the sum. According to Ozor (2006), pension consists of lump sum payment paid to an employee upon his disengagement from active service. According to him, payment is usually in monthly instalments. He further stated that pension plans may be contributory or non-contributory; fixed or variable benefits; group or individual; insured or trustee; private or public and single or multi-employer.

Fapohunda (2013) is of the view that pension is simply the amount set aside either by an employer or an employee or both to ensure that at retirement,

there is something for employees to fall back on as income. This guarantees that workers will not be stranded financially at old age. It is aimed at providing workers with security by building up plans that are capable of providing guaranteed income to them when they retire or to their dependants when death occurs. A pension is usually a regular payment made by the government or by private companies or organizations to their retirees as a form of social security against old age risks and uncertainties.

Adebayo (2006) and Ugwu (2006) identified four main classifications of pensions in Nigeria. These are:

- (i) **Retiring Pension:** This type of pension is usually granted to a worker who is permitted to retire after completing a fixed period of quality service usually 30 to 35 years or on attaining the age of 60 to 65 years for the public service in Nigeria and 70 years of age for professors and judges.
- (ii) **Compensatory Pension:** This type of pension is granted to a worker whose permanent post is abolished and government is unable to provide him with suitable alternative employment.
- (iii) **Superannuating Pension:** This type of pension plan is given to a worker who retires at the prescribed age limit as stated in the condition of service.
- (iv) **Compassionate Allowance:** This happens when a pension scheme is not admissible or allowed on account of a public servants, removal of service for misconduct, insolvency or incompetence or inefficiency (Amujiri, 2009).

In the words of Sule and Ezugwu (2009), a good pension guarantees employee's comfort and commitment to the organization during his/her active years. Similarly, a pension is a contract for a fixed sum to be paid regularly to a pensioner, typically following retirement from service. It is different from severance pay because the former is paid in regular instalments while the latter is paid in one lump sum. A pension plan created by an employer for the benefit of employee is commonly referred to as an occupational or employer pension.

Labour Unions, the government and other organizations also fund pensions. Occupational pensions are a form of deferred compensation, usually advantageous to employee and employer for tax reasons. Many pension plan also contain an additional insurance aspect, since they often will pay benefits to survivors or disabled beneficiaries. The common use of the term pension is to describe the payments a person receives upon retirement,

usually under pre-determined legal and/or contractual terms (Ayegba, James and Odoh, 2013).

Armstrong (2010) affirms that pension helps employees to readjust themselves properly into the society after leaving employment. It constitutes an important tool in the hands of management for boosting employee morale which may lead to efficiency and increased productivity of employees in particular and the organization as a whole. Besides, pension is a device which employers use to meet their social responsibilities and thereby attract goodwill. Pension now plays an increasingly significant role in the economy of any country because the money earmarked for pension could be used for the establishment of small enterprises. It can also relieve pressure on the Company for individual assistance by instilling in employees a sense of confidence at challenging responsibilities for their future.

2.6 PENSION SCHEMES

According to Imhanlahimi and Idolor (2011), many definitions of pension scheme have been offered, but they all point basically to the same thing – the social security of a retired pension and his dependants. For Idowu (2006), pension scheme is a social security as well as a welfare package for the old or retired people who are in their years of labour inactivity. Pension scheme is a financial package which legally specifies its organization and operation, so as to provide rest of mind to workers, sustain or spur them to more productivity and ensure that a pensioner and his dependants live a decent life. Ebegbunam (2015) posits that pension scheme consist of plans, procedures, legal and administrative process of acquiring and setting aside of funds to accumulate in order to meet the social organization of care which employers owe their employees on retirement or their dependants should the employee dies before retirement. Ugbaja (2013) opines that a well-funded pension scheme helps to spread the cost of benefits evenly overtime and eliminate the difficulties of economic misfortune. This is achievable if the pension fund scheme is properly managed. Before 2004, the non-contributory pension scheme was in operation in Nigeria. Meribole (2010) remarks that with the dwindling fortune of the nation's economy, the increasing burden of pension payment in the public sector weighed heavy burden on the government. Ojo (2014) posits that due to the absence of pension fund prior to 2004, set aside to receive regular contributions, no investment could be made so as to yield returns that would boost the financial

resources needed for prompt and regular payment of retirement benefits.

There are many classifications of pension schemes: These include defined benefits scheme (DBS) or Pay-as-you-go (PAYG) or defined contribution (DC), fully funded scheme (FFS) (Kotlikoff, 1996); notional defined contribution account and fully funded contribution scheme (MacGreenvey, 1990). Other classifications are defined contribution and defined benefit, funded and unfunded, actuarial and non-actuarial pension scheme (Lindbeck and Persson, 2003). There is also the defined benefits pension scheme (DBPS), the contributory pension scheme (CPS). Different Countries now operate different pension reform schemes and some have multiple pension schemes. But the Nigerian government approved only a single tier scheme which is contributory or partly funded by both the employee and employer, since June 2004. It is commonly referred to as contributory pension scheme (CPS) Imhanlahimi and Idolor 2011).

2.7 Theoretical Framework

Various scholars of diverse disciplines have tried to explore the concept of retirement and how issues concerning pensioners are addressed for the good of the pensioners, government and the society at large. Sociologists have particularly taken it as a challenge to explain the socio-economic status of pensioners and how it can be made better for the good of the pensioners and their families. The social Responsibility theory is among the most important theories that can be used for the explanation of pension policy administration in Nigeria.

The social responsibility theory was originally a theory of press freedom. It was first introduced in the United States of America in 1947 when the commission on freedom of the press headed by Robert Hetchins recommended that:

- i. The press has a responsibility to society; and
- ii. Because the libertarian press of the United States was not meeting the responsibility, there was need for a press theory.

In this context, social responsibility presupposes that social protection of a population has always been one of the most important function of the State. Since ancient times, the powers-to-be have been helping destitute and disabled in event of emergency. In the middle ages, churches and monasteries supported these activities craft and merchant guilds as well as municipalities of big cities, also supported and aided members of their communities. Social protection of population was

not always systematic and permanent. Assistance was rendered through various channels and included such forms as free medical treatment and material support to widows and orphans and allocation of money, clothes and food to people who were homeless. The goal of these assistance was determined not only by the Christian goodwill traditions, but also by pure economic necessity. The situation when European countries were depleted by epidemics and wars made each governor to take care of his population as its preservation and accrual was the source of tax and revenue. Social responsibility theory was an outgrowth of the libertarian theory whose basic tenets centred on man's rationality and lethargy. The demand for social responsibility underscores the fact that there is inequality in society and the need to set up the institutional means to fulfilling the acclaimed responsibilities. This theory presupposes that different entities have different responsibilities. While the social responsibility of the State was to ensure the civil rights of their citizens, corporations to respect and encourage the human rights of their employees, that of the citizens has been to abide by the laws of the land. This brings to the fore the element of reciprocity in social responsibility. Today, the dynamic role of the state and its institutions has broadened the concept of social responsibility. Social responsibility assumes that it is better to be proactive towards a problem than reactive to a problem. It therefore calls for the elimination of corrupt, irresponsible or unethical behavior that might bring about harm to the work place, its workers or retirees or the entire environment. It underscores the point that ethical behavior is at the root of social responsibility. The problem affecting the management of pensions is as a result of the unethical behavior (Corruption and mismanagement of Pensions Funds) engaged in by the traditional pension fund managers. Most often, pension funds are not released on time and when released it is often diverted for selfish reasons. The areas of unpaid pension funds are a fall out of the unethical behavior indulged in by pension fund administrators under the traditional scheme. To this end, for pension funds to be successfully managed, ethical principles must be maintained by the stakeholders. While social responsibility has a moral value, it also has economic value as well. The economic value is the total amount of money that an individual employee is mandated to contribute or invest in socially responsible goods or services. In addition to the contributory pension scheme, it has to do with the amount of money individual employee is willing to contribute to his

retirement savings account. The proactive stance of both employees and employers to fulfilling this social responsibility will determine the success of the contributory pension scheme. One can therefore contest that the major weaknesses of the defined benefit scheme was government inability to finance the scheme. Negative social responsibility is in vogue, hence the need to reform the system in line with global demands.

In another admission, social responsibility means being responsible to people, for the actions of people and for actions that affect people. This is the challenge for State government ministries as it is responsible for managing the pension funds and the record of her pensioners.

III. METHODOLOGY

The study utilized both primary and secondary data. Primary data was generated through the administration of questionnaires to selected retirees. The secondary data on the other

hand was obtained from review of related literatures from workshop papers, journals, magazines, books and internet. Data gathered was analyzed using descriptive statistics which gave room for use of simple percentages.

Research Technique

Questionnaire administered captured retired Civil Servants in Akwalbom State. The exercise was made easier largely due to the fact that it took place during pensioners' verification (pensioners auditing) exercise. During the exercise, a total number of 600 pensioners were present. Following Denga&Ali (1989) proposition that 15 – 30 percent of total population was enough sample size and where the population is not too large, half of the population could be used. Out of the 450 questionnaires randomly distributed, 432 questionnaires were duly completed and returned. Data analysis was carried out using frequency counts and simple percentages.

IV. DATA ANALYSIS AND FINDINGS

The research questions raised in the study were analyzed using simple percentages:

Research Question 1: What is the nature of Akwalbom Civil Servants Retirement

Table 1: Percentage analysis of Nature of Retirement for Akwalbom State Civil Servant

Nature of Retirement	Frequency	Percentage
Length of Service	218	50.8
Age Limit	159	36.8
Voluntary	20	4.6
Health Status	35	8.1
TOTAL	432	100

Source: Field Survey, 2020

Table 1 above shows the percentage analysis of the distribution of the retirees by reason for retirement. The table reveals that 218 of the respondents which represent 50.5% of the distribution retired from service because of length of servicewhile 159% was as a result of statutory age limit of service while 4.6% and 8.1% of the

distribution retired voluntarily and due to their health status respectively. This implies that most of the Akwalbom Civil Servants retired as a result of fulfilled length of service and age limit.

Research Question 2: Do retirees from the Akwalbom State Civil Service paid their pensions regularly?

Table 2 : Pensions Payment and Akwalbom State Retirees

REGULARITY IN PENSION PAYMENT		SA	A	SD	D	% A	% D
A	My pensions are paid regularly.	30	25	190	187	12	87
B	My pension are always paid in arrears.	124	138	90	80	61	39
C	I waited up to five years before receiving my first pension.	108	280	20	24	90	10
D	I was subjected to numerous verification exercises before I started receiving pension benefits .	169	150	90	23	74	36

E	If my organization had a choice, it will decide not to pay pensioner	206	210	10	16	96	4
F	State pensioners are worse off than federal pensions	132	220	20	20	58	42
G	There is an understandable gap between state and federal pensions.	100	53	168	110	38	62
H	Federal retirees deserve to be paid more than state retirees.	162	148	84	38	28	72
I	There is difference in the regularity of payment of state and federal pensioners	200	168	34	30	72	28
J	Reasons given for delays in payment of pensions are acceptable	30	30	212	160	18	82
K	There is no difference in the regularity of payment of state and federal pensioners	22	40	188	182	6	94

Source: Field Survey, 2020

Table 2 above reveals a lot of data relating to the regularity of payment of pensions and how these affect the livelihood of Akwalbom State Pensioners. The retirees strongly disagree that pensions are paid regularly. 87% of the respondents confirmed the irregularity of pensions payment, 61% of the retirees agreed that their pensions are always paid in arrears, 90% of the respondents waited for five years before receiving their first pensions. 74 of the retirees were subjected to numerous verification exercises before they were cleared for pensions payment. This accounts for the feeling of 416 of the sample representing 96% that given the choice, the Akwalbom State Civil Service from where they retired from will prefer to deny them pension benefits. 58% of them strongly believed that they were worse off than Federal retirees. While 62% said that the gap in payment between federal and state pensioners are not understandable. This was confirmed when 72% of Akwalbom State retirees disagreed with the

statement that federal retirees deserve to be paid more than State retirees. There was overwhelming evidence from the retirees supporting the statement that there was a huge difference in the regularity of pensions of federal and state pensioners as stated by 72% of the sample, 82% of the sample said that reasons offered for delays in the payment of pensions entitlement were unacceptable

PENSION AND ACCOMMODATION

One of the indicators of socio-economic status of pensioners is accommodation. Salaries during working days enable workers to pay for accommodation or build their own houses. What happens when they retire and rely on pension which falls far short of the value of salaries?

Research Question 3: What is the nexus between pensions payment and accommodation of pensioners in Akwalbom State?

Table 3: Pension and Accommodation

PENSION AND ACCOMMOTION		SA	A	SD	D	% A	% D
A	Due to regularity in pension payment, I have retained my accommodation	110	67	152	103	41	59
B	Since retirement I have moved into a bigger and better accommodation	10	57	300	65	16	84
C.	Delayed pension payment has force me to seek for smaller accommodation	15	24	282	111	9	91
D	I relocated to the village to cope with accommodation after retirement	160	140	82	50	69	31
E	I now squat with relatives after retirement	150	174	58	50	75	25
F	Since I retired, I have been homeless	47	80	158	147	15	75

Source: Field Survey, 2020

Table 3 above shows that the respondents in reacting to the statement (A), 59% of the sample disagreed with the statement that they have retained their accommodation since retiring. This reveals the percentage using rented accommodation too. This also suggested that they had changed accommodation. 91% of the retirees moved to smaller accommodation after retirement, signaling that they lacked the financial ability to retain their residences while at work. 69% of them moved to smaller accommodation in their villages. Out of the percentage who moved to smaller accommodation, 75% squatted with relatives. However, 75% said they have not been homeless since retirement.

V. DISCUSSION OF FINDINGS

Retirement from full-time paid employment is a defining moment that marks the beginning of a life transition. All over the world, retirement is regarded as an important stage in human development. Changes in life require adjustments in identity, thinking, feeling and action. People who plan for their retirement will advance and adjust well to retirement and they are likely to go through it as a honey moon. With the above perception, this study examines how the pensions of retirees from the Akwaibom State Civil Service are managed by the government to improve their socio-economic status. From the findings, it was observed that majority of the retired civil servants left service as a result of length of service or age limit and that they usually prepared for their retirement by monthly contribution of 7.5% of their basic salary towards retirement, maintaining personal saving account with the bank, investing in skills acquisition and training, investing in shares and stocks as well as investing in insurance policy to cover (sickness, accident and loss of property). The implication for not preparing for retirement is that after retirement, the retiree will be unhappy, dejected, exposing to feeling of inferiority complex, low self-esteem in the community, inability to contribute meaningfully to the society and feeling of being unsuccessful as a retiree.

Furthermore, the study showed that the pensioners are not always paid their pensions regularly and it automatically infringes on the socio-economic status of the pensioners in terms of not having the ability to plan expenditure in areas of feeding, healthcare, accommodation and contribution towards social and community responsibilities for the family and the society at large. This finding is consistent with the works of Ugbaja(2013) and Meribole (2010). Ugbaja (2013) opines that a well- managed pension scheme helps

to spread the cost of benefits evenly overtime and eliminate the difficulties of economic misfortune. Meribole (2010) also remarks that with the dwindling fortune of the nation's economy, the increasing burden of pension payment in the public sector weighed heavy burden on the government.

VI. CONCLUSION

The individual going into retirement is entering a new phase of life, which like every other phase of life will have its own peculiar tribulations. The underlying principle of this study was to investigate governments' pensions management and the impact it has on the socio-economic wellbeing of the pensioners. The study showed that most of the retirees served the government responsibly by contributing immensely to the growth of the government, government have the mandate to reward the retired Civil Servants by paying their pensions regularly through setting an effective structure with required legislation to guide the payment of the benefits as at when due which directly will help to improve the socio-economic status of the retirees.

VII. RECOMMENDATIONS

The following recommendations are made based on the findings of the study:

- i. It has been observed that most the retired Civil servants gave their best while in service and also made useful contributions to the growth of the state during the period allowed by the conditions of service. Government should therefore give them the pride of place by designing some social security programmes that will help the retirees to live meaningfully as important element of the society.
- ii. Akwaibom State Government should evolve a legislation that will encourage regular payment of pensions to retirees to assist them in planning their expenditure.
- iii. Akwaibom State Government should design an achievable housing programme that will help to solve the accommodation needs encountered by Civil Servants at retirement.

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