

**ADMINISTRATION OF PENSION SCHEME AND PENSIONERS' WELFARE: A  
STUDY OF ADAMAWA STATE PENSION BOARD, FROM 2004-2014**

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AHMADU BELLO UNIVERSITY, ZARIA  
NIGERIA.**

**January, 2016**

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**A DESSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES,  
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AHMADU BELLO UNIVERSITY, ZARIA  
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**January, 2016**

## DECLARATION

I declare that the dissertation titled ADMINISTRATION OF PENSION SCHEME AND PENSIONERS' WELFARE: A STUDY OF ADAMAWA STATE PENSION BOARD has been carried out by me in the Department of Public Administration. The information derived from the literature has been duly acknowledged in the text and a list of references provided. No part of this dissertation was previously presented for another degree or diploma at this or any other institution.

Bitrus Pukuma WILSON signature----- date-----  
(Student)

## CERTIFICATION

This dissertation titled ADMINISTRATION OF PENSION SCHEME AND PENSIONERS' WELFARE: A STUDY OF ADAMAWA STATE PENSION BOARD by Bitrus WILSON PUKUMA meets the regulations governing the award of the Degree of Master of Science (MSc) in Public Administration of the Ahmadu Bello University, and is approved for its contribution to knowledge and literal presentation.

**Dr. S. B. Abdulkarim** \_\_\_\_\_  
Chairman Supervisory Committee      Signature      Date

**Dr. Musa Idris** \_\_\_\_\_  
Member Supervisory Committee      Signature      Date

**Dr. H.A Yusuf** \_\_\_\_\_  
Head of the Department      Signature      Date

**Prof. Kabir Bala** Signature \_\_\_\_\_  
(Dean Sch. of Postgraduate Studies)      date      \_\_\_\_\_

## **DEDICATION**

This work is dedicated to my beloved wife Mrs Ngebiya Bitrus and my children.

## **ACKNOWLEDGEMENTS**

I give thanks to the Lord Almighty who bestowed the academic fervor in me even when it seems I was defeated by the fate of the world, He protected me and enabled me throughout the programme. My sincere appreciation goes to my supervisors, Dr S.B. Abdulkarim and Dr Musa Idris for their thorough and sincere supervision of this thesis work despite their exigencies. Their intellectual suggestions and guide have made the quality of the work. My thanks goes to all lecturers of the Department of Public Administration and others from various Departments that thought me during my course work and prepared or molded me to carry out this research. The University and the Department of Public Administration that offered me the opportunity to undergo the program are highly appreciated.

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I also thank my sister, Rejoice Wilson and my friends Dr Shuaibu Yerima, Mr Enock Joshua, Alahaji Dahiru Usman and Yakubu Dzarma for their financial support that facilitated the programme. I will not forget to thank my friends; Mr. Febian Augustine, Dr Johnson Joseph, Dr Manpa'a Aliyu and Capt. Haniel Yaduma for their continuous encouragement even at the point I was about to shun the programme. My thanks goes to my entire course mates because of their supports in one way or the other that significantly contributed in sharpened the work.

Finally, and most special thanks goes to my parents, Mr Wilson Pukuma and Mrs Maryam Wilson for their parental cares and prayers throughout the programme.

### **Abstract**

*In Nigeria, myriad of pension reforms have been undertaken to improve retirees' welfare through sound pension administration but all to no avail. In Adamawa State, series of complaints have been lodged to Public Complaint Commission (PCC) in the State by the pensioners seeking for justice on the poor administration of their pension and gratuity usually seen through delay, under payment and stoppage of the payment of their retirement benefits by the Adamawa State Pension Board. The study therefore, focused on the Administration of Pension Scheme in Adamawa State Pension Board. Specifically, it examined how delay in payment, under payment and the stoppage of the payment of retirees affect pensioners' welfare in Adamawa State. The Social contract theory by Thomas Hobbes (1651) was used as a theoretical framework for the study, because of it can diagnose the contractual relationship between the government and its citizenry, particularly its retired workers. Primary and secondary data were utilized. Primary data were sourced through the use of questionnaire, interview and observation instruments, while secondary sources comprise official documents such as Adamawa State Pension Law, PCC Register of Cases, Pensioners' Register in the Pension Board, labour Act etc. The qualitative data from interview backed by observation were descriptively analyzed while Chi-square statistical tool was used to test the hypotheses formulated. It was revealed that delay in payment; under payment and the stoppage of the payment of retirees' benefits have effects on pensioners' welfare in Adamawa State. It was found that the effects of the maladministration on pensioners' welfare via the indicators above, included their inability to meet up with the necessities of life such as shelter, health facilities, food, children's school fees etc. it was also found that inadequate funding, political interference in the activities of the Board and inadequate trained personnel are responsible for the problems. It was therefore recommended that Adamawa State government should adopt the new contributory pension Act 2004 which is perceived as a solution to the problems of Pay As You Go Scheme currently in use by the state. Government should also be more committed in funding of the Board. Staff training should be adequate for efficient service delivery and there should be non-political interference in the activities of the Pension Board.*

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## **LIST OF ABBREVIATIONS**

OASDI	- Old Age Survivors and Disability Insurance
BC	- Before Christ
US	- United State
PCC	- Public Complaint Commission
GL	- Grade Level
PAUG	- Pay As You Go
NPF	- National Providence Fund
ILO	- Intentional Labour Organisation
NSITF	- National Social Insurance
SERVICOM	- Service Compact
ADSPB	- Adamawa State Pension Board
SPSS	- Statistical Package for Social Sciences
DF	- Degree of Freedom
RB	- Retirement Benefit
ADS	- Adamawa State
SPB	- Staff of the Pension Board
PHCN	- Power Holding Company of Nigeria

## **CHAPTER ONE**

## **GENERAL INTRODUCTION**

### **1.1 Background to the Study**

The administration of pension scheme is not a contemporary phenomenal or practice. Memorably, it can be traced back to 13BC. The earliest record of payment of public sector pension dates back to the Roman Empire times when in 13BC, Emperor Augustus Caesar paid pension to the Military and loyal civil servants to boost their welfare. This was to secure the active loyalty of troops who were then the sole determinant of power in the realm and further conquest. Thus, it was a kind of reciprocal or compact arrangement. The pension was first paid from Augustus' personal funds and later taxes of 5% were levied on inheritances and 1% sales tax to meet the pension liabilities of the emperor. Three thousand denary was paid to Legionnaires after 20 years of active duty and 5 years in reserves. This had the effect of making beneficiaries' instant millionaires by the standards of the time.

According to Stephen (2012), the history of public pension in modern Europe started with disability compensation to soldiers. A good example was the scheme established by the British parliament in 1592. By the 18<sup>th</sup> Century all major European nations maintained some form of pension for their officer corps. However, these pension schemes were not very popular because of the perceived bias of the schemes for the military. The primary aim was to keep the military in total subjugation and commitment to the leaders of the time as military might guaranteed state power and sovereignty at the particular time in history.

Stephen (2012) maintained that in modern times, the United States public pension system, otherwise known as U.S. Social Security (Old Age, Survivors and Disability Insurance) (OASDI) is a social security insurance created by the Republican Government of Franklin Delano Roosevelt in 1937 during the great depression, following the stock market crashes of the late 1920's and early 1930's. Retirement benefits payment is the largest component of OASDI.

The scheme was unfunded though as payment of retirees were financed by payroll taxes of current workers to enhanced their wellbeing or welfare depending on workers earning records at an age of retirement.

In Nigeria, Pension schemes were introduced into the public service in the early years of the 19<sup>th</sup> Century as evidenced in Pension Proclamation No. 14 of 1901 of the Northern Nigeria Protectorate and the Pension Ordinance No. 4 of 1902 of the Colony of Lagos and pension Ordinance 1951. Until 2004, there were a myriad of enactments that regulated the administration of pension schemes in Nigeria (Balogun, 2006). They include the Constitution of the Federal Republic of Nigeria, 1999 in Sections 173 and 210, the Pension Act Cap 346 Laws of the Federation 1990, the National Provident Fund Cap 273 Laws of the Federation 1990 and the Nigeria Social Insurance Trust Fund Act, 1993 amongst others.

In order to have an in-depth knowledge and understanding of the direction of changes in pension reform, it would be useful to first of all understand the antecedents of pension system in Nigeria. In the public sector, (both civil and public services, statutory bodies), pensions were governed by the Pensions Act of 1979, later the Pensions Act of 1990 as amended by the Pensions Regulations of 1991. The Act provided for benefits in terms of gratuity and pension payments. Gratuity is a single, lump sum payment while pension is a periodic payment, normally on monthly basis for life (Olanrewaju, 2011). The scheme was a compulsory and non-contributory one, which created a right to monetary collection by public servants and an obligation on the part of government to make payment. Thus, the pension Act of 1990 as amended by Pension Regulation of 1991 has set a base for pension right to the retirees and contractual term between the retirees and the government of Nigeria including all levels of governments. Before April 1974, gratuity and pension for public servants were not treated as



rights but as privileges. The applicable law provided that no officer shall have an absolute right to ...pension or gratuity, Section 6(1). Nevertheless, with effect from 1974, they became rights to which a qualifying public servant was entitled to claim from the government. The general pension scheme for civil servants was financed from government general revenue on a pay-as-you-go basis (Olanrewaju, 2011). This implies that the payment of pension and gratuity become a compact between the state and the retired civil servants in Nigerian governments.

However, this scheme later suffered numerous problems between January 1976 and June 2004. Within this period, there were numerous maladministration in the payment of gratuities and pensions such as falsification of age, delays in payment, stoppage of payment, under payment, omission of names from the pay-roll, loss of files, long distant travels to receive payments, ghost pensioners, embezzlement of funds, mismanagement and diversion of funds (The Post Express June, 2000),in Olanrewaju (2011). These exploitative evils were purely bureaucratic or administrative. The pensioners had to cry out aloud in streets and mass-media for a positive change (Obi, 2002: 91-100). Thereafter, the Pension Reform Act 2004 was enacted on 25th June, 2004 and became effective on 1st July, 2004 to redress these problems in the scheme.

Adamawa State as a component unit of Nigeria federation, is not immuned from these problems mentioned above, and is yet to start the process of adopting the new (Act 2004) contributory scheme which is perceived as a solution to the problems of the Pay As You Go Pension Scheme as shown above. (Daily Independent May 13<sup>th</sup>,2014) As such, pensioners in the State are still suffering from the inherent problems in the administration of Budgetary Scheme discussed above since the State is still yet to adopt the new contributory pension scheme.

## **1.2 Statement of the Research Problem**

The non-payment of gratuity and pension to retirees in Adamawa State has become a problem since the creation of Adamawa State on the 27<sup>th</sup> August 1991 from the former Gongola State. The budgetary system or defined benefit pension scheme were in operation in the defunct Gongola State which was inherited by the Adamawa State till date. It was first controlled and managed by the Office of Establishment of the State before the establishment of the Adamawa State Pension Board.

Prior the year 2000, the administration of pension and gratuity of workers in Adamawa State had been an issue of serious concern. There are many records of unpaid pension and gratuity among retirees, stoppage of their monthly pension as well as delay in the payment of retirees their retirement benefits, among others. The non-payment of workers entitlement at the end of meritorious services in Adamawa State has led so many retirees into abject poverty and subject of ridicule in some localities, which in turn mutilates their welfare in the State and thwarts their social ways of lives.

In 2000, the Adamawa State government deemed it fit to establish the Adamawa State pension board and to provide for matters incidental thereto. The pension board following the law is mandated to ensure effective pension administration in the state via the budgetary or Pay As You Go Pension Scheme, to minimize the incidence of ghost syndicated pensioners, ensure efficient and prompt payment of gratuity to retired civil servants in the state, to further ensure regular payment of benefits to pensioners etc. (Adamawa State Pension Law, 2000).

In spite of the efforts by the government through the establishment of the Adamawa State pension board in order to redress the aforementioned problems, there still seems to be an increasing cases of delay in the payment of pensioners' retirement benefits, under payment of pension and gratuity and the stoppage of the payment of pensioners' monthly pension to the

extent that it forced or compelled so many retirees to involved themselves into the act of some societal vices such as theft, loss of trust by their debtors, house to house begging and even fraudulent attitudes to earn living. The frequencies of these abnormalities recorded for example include 34 cases of under payment of pension and gratuity, 33 cases of delay payment of retirees, 20 cases of nonpayment of death benefits, 39 cases of omission of names from the pay-roll, 40 cases of loss of files of pensioners, and 37 cases of unpaid pension and gratuity within the period of the study (2004-2014) among others. In addition, some administrative or bureaucratic irregularities including the channeling of numerous grievances or complaints to the Public Complaints Commission (PCC) in Yola, are rumpus, (PCC Register of cases, 2014). As a result, many pensioners were owed months of pension benefits which hypothetically undermined their welfare.

The study therefore attempts to investigate why retirees are suffering from cases of unpaid gratuity, pension and other related allowances in spite strides made by the Adamawa State government by establishing the Adamawa State pension board and charged with viable functions to mitigate the problems of pension and other related matters therein.

### **1.3 Research Questions**

- i. To what extent has delay in the payment of pensioners' retirement benefits has affected the welfare of pensioners in Adamawa State?
- ii. How under payment of gratuity and pension entitlement affected the welfare of pensioners in Adamawa State?
- iii. To what extent has stoppage of the payment of pension benefit affected the welfare of pensioners in Adamawa State?

### **1.4 Objective of the Study**

The main objective of the study is to assess the impact of administration of pension scheme and pensioners' welfare in Adamawa State pension Board. Specifically, the study seeks to:

- i. examine the extent to which delay in the payment of pensioners' benefits affected pensioners' welfare in Adamawa State.
- ii. determine how under payment of gratuity and pension entitlements has affected the welfare of pensioners in Adamawa State.
- iii. determine how stoppage of the payment of pension benefit affected the welfare of pensioners in Adamawa State.

### **1.5 Hypotheses**

**Ho1:** Delay in the payment of pensioners' retirement benefit has no effects on pensioners' welfare in Adamawa State.

**Ho2:** Under payment of pensioners' gratuity and pension entitlements does not affect the pensioners' welfare in Adamawa State.

**Ho3:** Stoppage of the payment of pensioners' pension has no effect on pensioners' welfare in Adamawa State.

### **1.6 Significance of the Study**

A study carried out by Olu et al (2005) study on the "management of pension scheme in Nigeria" focused on the upward review of pensions and gratuities in the administration of pension scheme in Nigeria. Their study revealed that the upward review of pensions and gratuities in the country without appropriate financing the scheme is the major problem of pension administration in Nigeria.

The study by Olu et al (2005) left a wide gap that desired to be filled. For example, the study failed to take note of some of the administrative deficiencies such as workers'

inefficiencies, inadequate skilled personnel, political interferences in the activities of the pension officers, corruption and lazier-fare leadership leading to delay in the payment, under payment and the stoppage of the payment of retirees' benefits which this study attempt to fill. Also, a study by Omoni (2013) on 'an overview of the administration of new pension scheme and teachers' level of awareness in Delta State of Nigeria" left a lot of loop-holes. For example: Her methodology was not good enough to generate all relevant data in order to strike balance and avoid bias, since only questionnaire instrument were used and was served only on the teachers and sidelined staff of the primary schools Board and ministry of Education. The study also neglected one important unit of the population completely, that is staff of the pension administration and dealt with only primary and secondary schools teachers.

Obi (2013) conducted her own study on the Corrupt Practices in Nigeria's Retirement and Pension Scheme; she focused on delay in the payment of gratuity and pension. Here methodology also was weak because she used questionnaire instrument only on pensioners and neglect the pension officers completely as if the views of the pension officials are not important to the study. Besides, the studies also did not cover Administration of Pension Scheme and Pensioner's welfare, and did not focus on under payment as well as stoppage of the payment of retirees; therefore they failed to determine the effects of the stoppage and delay in the payment as well as under payment of pensioners' benefits on the pensioners.

In respect of the significance of the study therefore, this study attempts to fill the identified gaps or loop-holes of the studies above. Beside these ones above, it is an undisputable fact that several efforts have been put by government and practitioners alike, as well as scholars to mitigate the problem of bureaucratic or administrative problems in the administration of

retirement benefits; there are still some major gaps to be filled in this area which this study seek to fill them as well.

Another importance or significance of this study cannot be over emphasized, in view of the fact that little or no study has been done by scholars or researchers in relation to Administration of Pension Scheme and Pensioners' Welfare in Adamawa State. Hence this study or research work will go a long way in contributing to the few existing literature on this aspect, especially in Adamawa state.

It can also serves as a stepping ground for other researchers on the topic. Similarly, it will serve as an eye opener to the general public, most especially to the civil servants in Adamawa State, and Nigeria at large, to see the need to make adequate preparation before retirement from service in terms of saving. And also to prepare psychologically perhaps one may be faced with challenges of uncertainty in life after retirement.

### **1.7 Scope and limitation of the Study**

The scope of this study is viewed from three perspectives. It measures scope in terms of geographical coverage, scope in terms of time limit and scope in terms of substance of the work.

In terms of geographical coverage, the study covered Adamawa State as a whole and all Public Service in Adamawa State. The justification for this coverage is based on the fact that the organization under study is heterogeneous in nature; its members or beneficiaries come from every nook and corners of the state and covered all the public organizations.

In terms of time frame, the study covered a period from 2004 to 2014. The justification for the choice of this period stemmed from the fact that in the history of Adamawa State, this period had recorded the highest or massive retirement of civil servants in the State.

It can also be justified on the ground that based on the secondary data available; the frequencies of complaints received by the Public Complaint Commission on delay in the payment, under payment, stoppage of the payment of retirees' benefits from retirees in the State falls within this period and kept on increasing.

Scope in terms of substance, this study covered Administration of Pension Scheme and pensioners' welfare in Adamawa State (Pension Board). It limits its self to bureaucratic operations because the issue under study is purely within the ambit of bureaucratic operation. And it is restricted only to budgetary pension scheme that is fully (100%) funded by the government (Defined Benefit or Pay As You Go Scheme) which Adamawa State is still practicing up to date, and not the Contributory Pension Scheme.

However, the study is not without limitation in terms of drawback. Focus group discussion with the association of retirees would have been part of the methodology which would have added quality to the study, unfortunately all effort to do that were shattered due to the state of insurgency in the State as at that moment, where the leader of the union sought for the guarantee of their security against any uncertainty from the researcher and their transport fare before he would agree to array his members for that purpose. Unfortunately, the researcher had no capacity to guarantee any security of a person or group of persons, particularly that period, and had no money to transport them from their various destinations for the group discussion. Also, Mubi north from the Adamawa Northern Zone would have been part of the sample areas of the study as was designed in the methodology, but the researcher was restrained from reaching out the area due the said insurgency which engulfed the whole Northern part of the State as at the time of sourcing of the data. This led the researcher to pick Yola South one of the constituent of

the state capital in the place of Mubi North since most of the survivors of the insurgent from the Northern Zone fled to the State Capital.

The Nigeria freedom of information act 2011 also was not respected by the staff of the pension Board. A lot of unclassified information which would have added quality to this work was denied the researcher during the interview. Also, time and finance were not at the advantage side of the researcher.

### **1.8 Operational Definition of Concepts.**

This aims at operational definition of all unusual terms whose meanings are not obvious or the meanings are not ordinarily known. Such terms are defined the way they occur or used in this study. This is to avoid confusion and misinterpretation by a reader. However, the researcher chooses to define such concepts or terms conceptually or authoritatively first, before operational definition will follow where necessary. This is to provide a reader better understanding and help to distinguish between the authoritative and working (operational) definition of each term.

#### **1 Administration of Pension Scheme:**

According to John (1960) in Paul (2013) administration is the determined action taken in pursuit of conscious purposes. It is the systematic ordering of affairs and the calculated uses of resources, aimed at making those things happen which we want to happen, and at the same time preventing developments that fail to square with our intentions. Pension scheme according to Tijjani (2007) can be seen as government plan or program in form of policy through which retirees or somebody else pays regular amount of money to enhance the state of his welfare.



However, Administration in this study is operationally defined as the mobilization and direction of effective human and financial resources for the prompt, regular, continuous and correct payment of the retirees' retirement benefits (pension and gratuity) to the extent that there would be no delay in the payment, no under payment and no stoppage of the payment of pensioners' retirement benefits (pension and gratuity) in Adamawa State Pension Board.

On the other hand, pension scheme is operationally defined as old budgetary pension scheme that is 100% sponsored by government or an employer.

## **2 Delay in the payment**

The Adamawa state pension law section 8 (1) specified that the procession of benefits of retired civil servant of the State shall be completed and ready for payment one month to the officer's official retirement date to avoid financial handicap at retirement. Based on this provision, delay means if an officer is not paid his pension and gratuity as soon as he/she is retired.

However, delay in payment as used in this study or operationally defined as failure to pay the retirees their pension and gratuity within two months time (60 days) after their retirement.

## **3 Under payment**

Under Payment is operationally defined as the payment of the retirees their gratuity or pension less than the official amounts that were supposed to be paid to them.

## **4 Stoppage of Payment**

This is a situation where the payment of monthly pension is suddenly cut-off or stopped and the retirees no longer get their monthly pension.

**5 Pensioners' Welfare:** Williams (1976: 281) viewed welfare as a concept derived from well-*fare* that is “well” in its still familiar sense and “fare” primarily understood as journey or arrival but later also as supply of food, well-being, happiness, health and prosperity of a person. Also Pa’ag (1993:31) perceived welfare as the evaluation assigned by the individual to income or, more generally, to contribution of our well-being from those goods and services we can buy with our money.

However, *pensioners' welfare* in this study is operationally defined as the prompt payment of pensioners' pension and gratuity, no delay, non stoppage of pension and no under payment of pensioners' retirement benefits to the extent that the pensioners and their families can be able to:

- i. eat three square meal of balanced diet a day and drink clean water
- ii. afford and access health facilities
- iii. afford to pay children's school fees
- iv. Wear good and functional clothes and be able to change it over time.
- v. afford housing or shelter for themselves
- vi. be looking healthier, happy and prosperous

## **CHAPTER TWO**

### **LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

#### **2.1 Introduction**

Under this chapter, a careful and systematic location, documentation, analysis and reporting of all available existing literature which are relevant and useful to this study have been explored. The importance of literature review in a research work as this cannot be over emphasized. This is because literature provides a ground to stand for every research work. It deals with the study of related works to the topic under study. It is an important aspect of designing and carrying out research work.

In view of the above therefore, since this study has assessed Administration of Pension Scheme and pensioners' welfare in Adamawa State pension Board, it focused specifically on two categories of literature. These are literature on Pension Scheme and Pensioners' Welfare, and other intervening variables. As such, the views of experts, authors, institutions/organizations were reviewed. Materials from internet and other relevant sources were also reviewed.

#### **2.2 Literature Review**

##### **2.2.1 Administration of Pension Scheme**

For better and in-depth understanding of "Administration of pension Scheme", it is imperative to first of all look at the concepts of "Administration" and "Pension Scheme" separately before synthesizing it. Administration according to John (1960) in Paul (2013) is the determined action taken in pursuit of conscious purposes. It is the systematic ordering of affairs and the calculated uses of resources, aimed at making those things happen which we want to happen, and at the same time preventing developments that fail to square with our intentions. On the other hand, Pension scheme according to Tijjani(2007) can be seen as government plan or

program in form of policy through which retirees or somebody else pays regular amount of money to enhance the state of his welfare.

Based on the scholar's definition above, when the administration failed to achieve those things we want to happen, and prevent those things we don't want to happen to happen, then the administration has failed. For example, if the administration of pension and gratuity in Adamawa State pension Board failed to provide welfare for the retirees in the State and did not prevent delay, under payment and the stoppage of the payment of pension and gratuity that fails to square with the intention of the pension administration, then the administration has failed. Indeed, the view of John (1960) in Paul (2013) seems to be a starry in this study, although his idea is not without weaknesses. For example, the scholar failed to recognize the fact that... "systematic ordering of affairs and resources to achieve those things that we want and preventing those things that fail to square with our intention" cannot be possible without effectiveness or well trained personnel. The glory of human resources in an organization, particularly in the area of administration is the man power that will enhance efficiency and effective performance that will lead to the achievement of the predetermined objective. Not only otherwise as in the view of the scholar.

However, when we harmonize the views of John (1960) and Tijjani (200) above, and the two concepts are being synthesized, we can say administration of pension scheme is a deliberate combination of material, financial and skilled human resources channeling toward the achievement of government policy or program aiming at providing the retirees or pensioners with the means of livelihood after leaving the service of his/her employer to boost his/her welfare.

In Nigeria, several pension schemes have been adopted and administered before the present or new contributory scheme Act 2004 came up since independence. For example, Balogun (2006) as documented in Fapohunda (2013), affirms that Nigeria's first ever legislative instrument on pension matters was the Pension Ordinance of 1951 which took effect retroactively from 1st January, 1946. The National Provident Fund (NPF) Scheme was established in 1961 by an Act of Parliament to provide income loss protection for employees as required by the International Labour Organization (ILO) Social Security (Minimum Standards) Convention 102 of 1952. The NPF scheme however covered only employees in the private sectors, and the monthly contribution was 6% of basic salary, subject to a maximum of N8.00 to be contributed in equal proportion of N4.00 each by the employer and the employee. The NPF scheme was later converted to a limited social insurance scheme established by Decree No. 73 of 1993 and administered by the Nigeria Social Insurance Trust Fund (NSITF).

The NSITF was a defined benefits scheme covering employees in the private sector working for organisations with a minimum workforce of 5 employees. It catered for employees in the private sector of the economy with respect to loss of employment, income in old age, invalidity or death. The initial monthly contribution of members was 7.5% of basic salary, shared in the proportion of 2.5% by the employee, and 5% by the employer, Fapohunda (2013). In 2002 this was revised to 10% of gross salary (comprising basic salary, transport and housing allowances) shared in the proportion of 3.5% by the employee and 6.5% by the employer. The proportion of pension to salaries increased from 16.7 % to 30% between 1995 and 1999. The Local Government Pension Scheme was established by Military Fiat in 1977.

In 1979, the Civil Service Pension Scheme was established by the Basic Pension Decree 102 of 1979. In the public sector, (both civil and public services, statutory bodies), pensions were

governed by the Pensions Act of 1979, later the Pensions Act of 1990 as amended by the Pensions Regulations of 1991. The Act provided for benefits in terms of gratuity and pension payments. Gratuity is a single, lump sum payment while pension is a periodic payment, normally on monthly basis for life (Olanrewaju, 2011). The scheme was a compulsory and non-contributory one, which created a right to monetary collection by public servants and an obligation on the part of government to make payment. Thus, the pension Act of 1990 as amended by Pension Regulation of 1991 has set a base for pension right to the retirees and contractual term between the retirees and the government of Nigeria including all levels of governments.

Commenting on the provisions of the Decree 102 of 1979, Uzoma (1993) notes that in the special case of the public scheme the office of Establishment and Pensions acts as the trustee and constitutes the rules of the scheme. The scheme was for all public servants at all levels of governments except those who were on temporary or contract employment. The compulsory retirement age for such workers was 60 years for both male and female workers except for high court Judges that was 65 years and 70 years for Justices of the Court of Appeal and the Supreme Court. However, the earliest retirement age was put at 45 years provided the worker had put in 15 years of service or more. In the same 1979, the Armed Forces Pension Scheme was created through Decree 103 of 1979 with retroactive effect from April 1974. Similarly, in the same year the Armed Forces Pension Act No. 103 was enacted.

These Decrees remained the operative laws on Public servants and Military Pensions in Nigeria at all levels of governments until June 2004 though there were several government circulars and regulations issued to alter their provisions and implementations. For instance in 1992, the qualifying period for gratuity was reduced from ten to five years while for pension it

was reduced from 15 to 10 years. In all there have been about eight (8) registered pension schemes in the country before 2004 which were largely unfunded, self-administered and uninsured. Prior to 2004 the pension scheme in operation was the Defined Benefit or Pay as You Go (PAYG), which Adamawa State is still practicing up to date, which is the focus of this study.

### **2.2.2 Budgetary or Pay As You Go Pension Scheme**

Prior to 2004 the pension scheme in operation was the Defined Benefit or Pay as You Go (PAYG). The government funded the public sector scheme hundred percent and it was a non contributory pension scheme. Chilekezi (2005) observes that the pension payment was done through budgetary allocations for each fiscal year. The private sector scheme seemed better organized than the public sector and as Uzoma (1993) affirms, it was mostly a contributory scheme, but in a few cases it was maintained as a non-contributory scheme 100% funded by the employers.

However, Prior to Pension Reform Act 2004, the budgetary pension schemes in Nigeria had been bedeviled and marred by many problems over time. The annual budgetary allocation for pension benefits was often one of the most vulnerable items in budget implementation in the light of resource constraints. In many cases, inadequate and untimely release of funds resulted in delays and huge pension deficit exacerbated by bureaucratic bottle-neck ravage the scheme. The administration of the scheme was weak, inefficient and non-transparent. There was no authentic list or data base for pensioners, whereas stringent procedures were required to process pension claims where documentation is haphazardly maintained. Similarly, sharp practices in management of pension funds exaggerated the problem of pension liabilities to the extent that pensioners, due to poor condition of their health status, were slumping and/or dying of hunger and in poverty, (Olurankinse and Adetula, 2010). The case in Adamawa State is now worse off.

Retirees and their families were subjected to ridicule and unbearable conditions as they could not enlarge and meet their social needs. Pension Reform Act 2004 was initiated to put an end to abject poverty to which many pensioners experienced as a result of the failure of government and bureaucrats to honour the pension obligations regularly as provided in the 1979 Pension Reform Act, Ejikeme (2014). Unfortunately, all the evils above are still noticed in Adamawa State Pension Board since the Administration of Pay As You Go Scheme is still in practice there up to date.

### **2.2.3 Features of Budgetary or Pay As You Go Pension Scheme**

- I. Government funded the public sector scheme hundred percent (100%) (as it was a non-contributory pension scheme),
- II. the pension and gratuity payment was done through budgetary allocations for each fiscal year,
- III. only the employer contributes and employees do not bear the burden of contributions,
- IV. Also for the PAYG scheme there is a general scale of benefit which is more generous than the new contributory scheme,
- V. In addition it involved periodic pension increases with salaries because monthly pensions were always increased whenever there was a wage increase,
- VI. Payment by the employer is deferred and there is no immediate pressure on employer's cash flow as payment is only made after retirement, Chilekezi (2005).

It can be observe from the above that PAYG is prone or susceptible to be ravaged with Administrative problems because of it over dependent on budgetary provisions for funding. Gbitse (2006) observes that the scheme in the public sector became unsustainable and was further compounded by increase in salaries and pension payments coupled with insincerity,



corruption, inefficiency and ineffectiveness of the Pension Staff. It also includes bias and favouritism leading to delay in the payment, under payment, stoppage of the payment and other irregularities in the payment of the retirees' retirement benefits.

#### **2.2.4 The Concept of Pension and gratuity**

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. It ensures that at old age workers will not be stranded financially. Gbitse (2006) look at pension and gratuity as 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. The reason for pension scheme stems from the fact that first an organization has a moral obligation to provide a reasonable degree of social security for workers especially those who have served for a long period. Second the organization has to demonstrate that it has the interest of its employees at heart through pension schemes. The most popular way to determine the amount of an employee's pension is to base payment upon a percentage of the employee's earnings computed at an average over several years multiplied by the number of years the employee has served the organization or company Gbitse (2006). Thus, it is paramount for the scheme to be free of Delay payment, under payment, stoppage of the payment of the said pension and gratuity as well as corruption for the sake of the welfares of the retirees. These concepts are discussed below.

#### **2.2.5 The Concept of Delay in Payment**

In the natural still-sense of "Delay", it is failure to happen or to do something at the intended or expected time. Delay in payment means putting action for payment off until later or after period of times. Delay in payment also is when the services or process for the payment of retirees' benefits are subjected to procrastination.

In Microsoft Encarta (2009), delay means the extent of the period of time by which somebody or something is made late or slowed down. Peter (2014), in his work “Development administration: obstacles, theories, and implications for planning”, affirmed that delayed payment of contracts, salaries, pension and gratuities including any vouched payments is an aspect of bureaucratic evils.

Although the scholar has forgotten that these lapses are not inherent in bureaucracy itself, but they are personal lapses of the officials not bureaucracy. Bureaucracy is just a formal procedure for accomplishing government activities in a formal organization. However, this formal procedure called “bureaucratic procedure” in administration used to be abused by government officials that is why often people attached negative connotation to the concept.

For example, an official is expected to give out forms free of charge for the members of the public who came to apply for them. He hides the forms inside his drawer and informs the applicants there are no more. He advises, however, a system whereby prospective applicants know that on payment of some sum of money, the forms become immediately available. Another official or even the same one tells the public that the forms have all been used, but hides them in his drawer for distribution to his relations and friends. In these two instances, the behavior of the official has nothing to do with bureaucracy and the ills thereof. We see corruption, favouritism and nepotism at work, caused the applicants delay to get the form or did not have it at all. Perhaps, it is on this ground that Rose-Ackerman (2008) in her example of four generic low-level of corruption, posited that officials may deliberately delay the processes and procedures additionally to extract more and higher bribes from the populace.

As pointed earlier, the term bureaucracy is always abused because it is an adjunct of administration where officials hide under it to commit all sort of administrative evils such as

delay in payment, under payment, stoppage of payment of the retirees their entitlements as the case in Adamawa State Pension Board. It is seen as Red-Tape full of paper work and delays which made it to be inefficient. Although it is government machinery meant to serve the people but has been hijacked by the bureaucrats or government workers to serve themselves. It is therefore an obstruction or threat to the people's rights, liberties and interests which has propensity of undermining or thwarts the welfare of the concerned people.

Nozick (1974:151) in his entitlement theory is against deprivation of someone of his entitlement as in the case of delay in payment of retirees in Adamawa State. He proposed three just principles for holding. According to Nozick, three issues are important in holding entitlement; 1. A person who acquires a holding in accordance with the principle of justice in acquisition is entitled to that holding, 2; a person who acquires a holding in accordance with the principle of justice in transfer, from someone else entitled to the holding, is entitled to the holding. 3. No one is entitled to a holding except by (repeated) applications of 1 and 2. (Nozick1974:151). From the element of Nozick's entitlement theory, the retirees have meet up the condition of holding their pension and gratuity without delaying, stoppage or under paying them. Item number three however prohibited the pension staff from holding or delay the pensioners' benefits.

Chukwunenyne et al (2010) in their empirical study on "staff welfare and productivity" affirmed that, delay in the payment of worker's salaries or retirees' benefits could result to apathy that might hinder efficiency in work performance. It could lead to embarrassing circumstances characterized by inability to pay rent and concomitant quarrel with landlord/caretaker; inability to pay for the schooling of his children; poor dietary intake that

might result to malnourishment; inaccessibility to adequate Medicare; inability to meet with maturing social and financial obligations.

Chukwunye et al (2010) have highlighted some of the effects of delay in payment of workers' entitlement. However the effects of such delay do not ends only on the direct beneficiaries along as tend to suggest by the scholars, it affect the entire society since societies operate as a system. It is on this ground that it were enshrined in Labour Act Chapter 198 (1990) part 1 section 1(4) No employer shall make delay payment or make any deduction by way of discount, interest or any similar charge on account of any advance of wages paid to a worker in anticipation of the regular period of payment of the wages.

In summary, bureaucracy is used as a reference to tasks and procedures of administration, as a body of administrative official who are corrupt, inefficient and always misuses power leading to delay in carryout official duties such as the payment of retirees' retirement benefits with imponderable effects in Adamawa State pension Board.

### **2.2.6 Concept of under Payment**

Underpayment is an incomplete payment, it is a payment made less than what one was supposed to be paid officially. It is also a breach of holdings to which people are entitled. The concept of underpayment signify that someone is entitled to a holding of some certain amount of money as a result of service rendered or promise offered to him or even contractual term of bond that later was not completed or fulfilled.

Nozick (1974:151) in his entitlement theory stated that deprivation of someone's entitlement is not just. He further affirmed that "a distribution is just if everyone is entitled to the holdings they possess under the distribution" Unfortunately, not everyone follows these rules," some people steal from others, or defraud them, or enslave them, seizing their product and

preventing them from living as they choose, or forcibly exclude others from competing in exchanges.

Similar to Nozick, Rotimi et al (2013) also in their study on Corrupt Practices and Economic Development in Nigeria, stated that underpayment of someone his wages is an aspect of corruption that exists in different organizations in Nigeria. The major argument of their study is that development in Nigeria is always undermined by corrupt practices of those in the helm of affairs or administrators. Thus the poor become poorer and rich become richer.

The views of the scholars above focuses underpayment of someone from the angle of corruption, particularly Rotimi et al, but I don't think underpayment of someone is obvious that it must emanate from corrupt mind, although it may be, but is not obvious. There are lots of factors that may lead to underpayment of someone his entitlement. Underpayment of someone may be as a result of incompetency of the officers handling the schedule of the payment, which is their inability to compute the payable allowances well to achieve a desired result without. It could also be as a result of lethargy or indolence emanating from too much work on the officers handling the schedule or even as a result of poor organization of the entire administration of the organization concerned such in the case of Adamawa State Pension Board. To the researcher, this is what peter (2014) has in mind in his obstacle theory when he looked at administrative obstacles which include; (1) shortages of skills and tools; (2) difficulties of organization and structure; (3) political difficulties and (4) cultural and attitude barriers.

In shortage of skills and tools as an administrative obstacle, peter (2014) maintained that First, if there is a shortage of trained personnel, which is the most obvious in administration and Widely noted difficulty, the shortage generally afflicts all levels of administration, but is particularly acute with regard to 'support administration', I. e. middle- and lower-echelon

personnel, and local administrators that handle most of the practical works. One expert has stated that for conveniences and effective administration, ten people are needed for 'support administration for every one person at the top.

This opinion aligns with the rational-legal bureaucracy of Max Weber, where he suggested for hierarchical arrangement of office or positions each under the authority or command of a higher one in pyramidal shape. And there should be division of labour with specified sphere of competence called official duties and powers, he also said there should be written rules for carrying out assigned tasks to be applied uniformly. If an organization operates in an organized form with high level of moral discipline as suggested in the rational-legal bureaucracy by Max Weber, there could be possibility to overcome some of the trivial lapses which have capacity of causing serious irreparable damage to the welfare of the interested people as in the case of under payment of retirees' benefits in Adamawa State Pension Board.

Nevertheless, even if such organized form of administration is achieved, yet there is still a problem of operative implements or tools to be solve. Lapses such as under payment will still occur if they are not adequately provided. That is why Peter (2014) above mentioned operative skill and 'tools' as an obstacle to administration. Tools are inanimate objects that aid office activities such as computer gadgets, internet service, simple calculating machine, communication networks, good library, etc; it also involves adequate funding of the organization. If an organization lacks such aiding tools, no matter what, good administration will not be achieved leading to lapses such as under payment as a subject matter.

Reiterating the view of Peter (2014), where he mentioned "culture and attitudes" as an obstacle to perfect administration, seems to be an important factor to consider in the discussion of under payment of retirees' retirement benefits. Attitude in this regard is an arrogant or

assertive manner or stance assumed as a challenge for effect. If an attitudes of public official deviated from the ethics and or rules of an organization there will be a bad effect as outcome which may subsequently impair the welfare of the concerned interest, such as in the case of the retirees in Adamawa State Pension Board. To support the view of Peter, Durkheim (1893) in his anomie theory, in his work titled “Division of Labour in a Society” discusses attitudes that impair negative effect under three elements. First, as **Condition of deregulation**; which occurs in society when the general rules of a society have broken down and that people no longer knows what to expect from one another. It is this state of deregulation that leads to deviant behavior. Second, **Effects of social change**; where people change from mechanical society where things are done rightly and according to rules or values of the society to organic society where people violet rules and values of the society by their actions and lastly, as **Moral Deregulation**; which refers to as a morally deregulated condition where people have inadequate moral control over their actions. Therefore, a given society or organization may be anomic if people do not know how and when to pursue their goal and when to stop striving for success at the expense of others’ rights.

### **2.2.7 The Concept of Stoppage of Payment**

The concepts of the stoppage of payment have attracted so many views and arguments from different scholars and practitioners. Others are looking at it as a product of corruption, others are viewing it as incompetency in discharging official duties, yet others consider it as a disciplinary measure as a result of gross misconduct, while others considered it as the failure of the system which deserves new reform. For example, Paul (2013) in his empirical study on “corruption as a problem of pension administration in Nigeria,” focused on why pensioners are suffering from a sudden stoppage of the payment of their pension entitlement in Nigeria? He

contained that stoppage of the payment of someone his wages, salaries, retirement entitlement etc, no matter what the situation, is an aspect of corruption.

The view of Paul above could be right, particularly when we cast our minds back to how the police pensioners or retirees were deprived of their pension entitlement as a result of corruption in 2013. It follows that the Federal high court Abuja recently sentenced the culprit (the former Assistant Director in the Police Pension Office), Mr. John Yakubu Yusuf, for two years imprisonment with an option fine of N750, 000.00, after he admitted that he connived with others to steal over N20bn that should have been used for the payment of police retirement benefits, (Punch, 18<sup>th</sup> September, 2014).

However, the way Paul generalized the stoppage of the payment of someone's entitlement as corruption; I tend to disagree with that, because there are lots of factors that may lead to that, separate and distinct from corruption. For example, if there is no proper supervision from the superior officer on the activities of his subordinate, the subordinate may likely to commit errors in his activities or do whatever he likes which may lead to omission of some names from the pay-role and the victims will definitely get their salary stopped for the mean time, but not necessarily on the ground of corruption, rather as a result of poor attitude at work, inefficiency, poor administration and lazarus-faire leadership. Also improper documentations after the screenings usually organizes by most Nigerian organizations may lead to the stoppage of payment.

However, people like Nwanolue and Iwuoha (2012: 12) view certain issues like the stoppage of the payment of someone his entitlement as a product of incompetency or inefficiency. Nwanolue et al (2012) argue that most of the plethora reforms in the public service



in Nigeria were as a result of incompetency and ineffectiveness of the operating machineries leading to issues like waste, fraud, mismanagement and victimization such as the stoppage of someone's entitlements as in the case of the stoppage of retirees' retirement benefits in Adamawa State Pension Board.

In support of this view, Okeke et al, (2014) argue that the 2004, a new reform project, SERVICOM (Service Compact with all Nigerians), was launched and mandated with key underpinning principles; including commitment, prompt and efficient service, dedication, and attention to citizen needs and the right to social and economic advancement is meant to correct the inefficiency and unethical attitudes that bedeviled the Nigerian public organizations coupled with some parochial selfish interests that mostly thwarts the welfare of disadvantaged majority citizens, as in the case of the retirees in Adamawa State who always worn out their shoes in the course of exodus trekking to the Public Complaint Commission (PCC) in Adamawa State seeking for justice on the stoppage of their monthly pension.

Similar to the quadruple brothers above, some scholars like Okonjo-Iweala and Osafo-Kwaako, (2007) believed that the failure of the entire system brought issues like oversized grown civil service in Nigeria, poor remuneration, poor pension and gratuity, under payment of pension and stoppage of the payment of pension benefits both at Federal, States and local governments, resulting in poor service delivery that mutilate the welfare of the populace which deserves a new reform.

Kwaako et al (2007), maintained that the under skilled work force in which employees often did not have the appropriate technical skills needed for their assignments exacerbated the problems like the stoppage of the payment of retirees' monthly pension. More broadly, the government estimated that about 70 percent of federal civil servants for example, had a high

school diploma or lower, with less than 5 percent possessing modern computer skills, Olukemi (2013). He continues that, civil servants generally received low pay and poor fringe benefits such as free housing. Weak management and absence of oversight also leads to the problem of ghost workers on the government payroll; while personnel and pension registers often were unreliable. Moreover, a weak incentive structure in the civil service, which did not foster good performance, resulted in a weak work ethic and poor service delivery by many government ministries at Federal and State levels often characterized by hidden or outright corrupt behavior on the part of many civil servants. These constitutes a hog to the free running of the system that is fraught by ills like stoppage of the payment of retirees, unpaid workers salaries, low infrastructural development, debts burden etc. Reforms are therefore needed to re-professionalize the civil service and increase its focus on service delivery.

To Kwaako et al (2007) and Olukemi (2013), the variegated mal-administrative practices and weaknesses mentioned above breeds all sort of administrative lacunas including the stoppage of the payment of retirees' monthly pension in Adamawa State impinging and afflicting their welfare. The scholars therefore suggested that when a system got deteriorated like this, the only way-out is to bring reform. I quite agree with the scholar's view. This suggested the reason why government brought the 2004 pension Act. According to Ije (2001) in the last two and a half decades, most pension schemes in the public sector in Nigeria had been poorly funded, owing to inadequate budget allocation. It was ravaged with all forms of maladministration, ranging from nonpayment of pension benefits, delay in the payment, stoppage of the payment of the retirees etc. the administration of the scheme was generally weak, inefficient and non-transparent. There was no authenticated list or data-based on pensioners both at State and federal levels. Ije maintained that, Based on the enumerated pension problems, the federal government constituted

committee to look into the menace of pension schemes and proffer solutions. Thus, the Pension Reform Act 2004 was signed into law in 2004 and effective from January, 2005. The Act brought a Defined Contribution System that is fully funded, privately managed and based on individual accounts for both the public and private sector employees.

The major problem in the case of Adamawa State now is because they are yet to adopt the new contributory pension Act 2004. That is why the pensioners are still suffering from the plights of the budgetary or Pay As You Go old pension scheme. Obi (2013) affirmed that “I personally perceive that the functional mechanisms of the new contributory scheme serves as checks and balances for effective management and control of the mal-administrative and corruptible practices in Retirement benefits, if strictly adhered to”.

### **2.2.8 The Concept of Pensioner’s welfare**

Pensioners’ welfare is a product of adequate payment of pension and gratuity of pensioners. It is difficult to discuss pensioners’ welfare separate from their pension and gratuity. It is an adjunct of pension and gratuity. While pension and gratuity stands as a means, pensioners’ welfare stood for the end.

In a general term, Williams (1976: 281) viewed welfare as a concept derived from *well-fare* that is “well” in its still familiar sense and “fare” primarily understood as journey or arrival but later also as supply of food, well-being, happiness, health and prosperity of a person. Also Pa’ag (1993:31) perceived welfare as the evaluation assigned by the individual to income or, more generally, to contribution of our well-being from those goods and services we can buy with our money. Pensioner’s welfare as agued by Titmuss, has been defined in various ways. One definition emphasizes that pensioners’ welfare “includes pensions for employees, employees’ wives and dependants; child allowances; death benefits; health and welfare services; personal

expenses for travel, entertainment, residential accommodation; children's school fees; cheap meals, unemployment benefit, medical bills and an in- calculable variety of benefits in kind” (Titmuss 2014). Titmuss’ in his approach ended up enumerating the indicators or hallmarks of pensioners’ welfare (pension and gratuity) than defining it. His definition is based on those variables that are involved in the computation of pensioners’ benefits. This kind of definition set a stage for cross-national comparism. In Nigerian pension system for example, most of the variables incorporated in his definition of pensioners’ welfare are not obtainable and thus, not practical. Goodin and Rein argue, pensioners’ welfare consists of “market-driven social benefits provided by private employers and the state in its role as employer after employee’s retirement”, (Goodin & Rein 2001). These scholars perceived pensioners’ welfare as a part or product of market business between the employee and the employer that hold employer responsible to pay the employee some certain amount for his survival after retirement. Goodin and Rein’s submission is a reality of pensioners’ welfare. However, they are criticized on the ground that they did not specify the nature of such social benefits that are given to employee after retirement. ‘Social benefit’ is a vague or ambiguous statement, it could be in cash or in kind or even in abstract term, they are not specific about it. Similarly, Sinfield argues, “another way of expressing this is that it is the welfare provided through employment” (Sinfield 2014) or, to elaborate, that “pensioners’ welfare covers benefits received by an employee through or as a result of his employment over and beyond the public benefits such as national insurance” (Sinfield 2014). Farnsworth asserts, “a recent analysis focuses on the fact that ‘non-statutory’ provisions include a range of voluntary social benefits that are provided by employers” (Farnsworth 2014, 438). In this view, pensioners’ welfare is seen as benevolence by employer to employee after retirement. These approaches above are both related to the fact that certain kinds

of goods and services, which can resemble welfare benefits, can be obtained via the employers. This does not imply that the employers necessarily are paying for it, but they might do if they, for example, trust that it is good for business. (Buchmueller 2014) argues, occupational or pensioners' welfare is thus goods and services provided for by the employers which can be seen as a functional or near-functional equivalent to public welfare.

Looking at the various submissions by different scholars and practitioners above, it seems that pensioners' welfare remains such a difficult concept that has no specific definition. It has always been defined narrowly and differently based on the practice of the particular environment that a definer finds himself. For example, Titmuss (2014) above defined pensioners' welfare using those variables that made up pensioners' welfare as a whole based on his environment. On the other hand, Goodin and Rein (2001), only knows it as a social benefits given to retirees by the employer, Sinfield, and Farmsworth (2014), channeled their argument on pensioners' welfare as benevolence by employer to retirees. Generally, deducing from the above views, pensioners' welfare is as a result of symbiotic relationship between the employer and the employee normally visible at the end of work term of the employee. It is a systematic relationship that consist input and output between the employee and the employer which provides retirees' well being after service of his/her employer.

However, the following scholars focused pensioners' welfare differently. For example, Faphunda argues, Pensioners welfare or retirement benefits simply means the amount of the money set aside either by the employer or an employee or both to ensure that at retirement from the meritorious service, there is something as a source of income for an employee to fall back on, Fapohunda, (2013:31). This view does not distinguish between the new contributory and the 'PAY AS YOU GO' old pension scheme in Nigeria. It embraced the two. However, the most

important point in his definition is the recognition that retirement benefits is meant to provide the retirees with the means of income at his/her retirement. Analyzing this opinion, it means pensioners' welfare or a retirement benefit is a deliberate plan focusing on the provision of the means of survival for the employee after his/her retirement. It is a means through which the retirees enlarge their choices, such as food, shelter, clean water, medical services, education for children etc.

Ngu (2010:191-192), in his own view, assert that “ the main objective of pension scheme is to provide a retirement benefits to employees leaving the services of their employers at formalized retirement age, usually 60 (now 65) years for public servants, and 65 (now 70) years for judges in Nigeria, as at 2010”. This view is similar to that of Fapohunda. The mainstream of these cognate views is that pensioners' retirement benefits is to provide for the retirees' welfare or means of livelihood after retirement for the employees. However, the unique point of the later view to the former is that the scholar specified that the retirement benefits are given at the “*Formalized retirement age*”. The concept “formalized” in his definition, draws our attention to look at retirement benefits as legal bond between the employer and the employee. The concepts of the “age” of 60 or 65 also, connotes that, this bond were made with a mind that at these ages the retirees have become old and could not help themselves meaningfully, thus they need financial support to keep them surviving. Reiterating the cognate views above, the following scholars view pensioners' welfare as a legal contract. Pitch and wood agues, retirement benefit connotes a form of official obligation in an employment relationship. It is a legal and economic obligation in which employers of labor are mandated to fulfill in her contractual relationship with employees”, (Pitch and Wood, 1999 in Sunday, 2003:58). This definition is associated with state welfares. The Pitch and Wood's submission signified that

retirement benefit is a result of a contract, a fruit of the bond or compact between the employer and the employee right from the day of employment of the employee. In fact, these scholars have shaded more light to our understanding of Pensioners' welfare or retirement benefits'.

Drawing from these views above, pensioners' welfare or retirement benefits are parts or element of the employees remuneration, is one of indispensable form of employees' solid benefits. To that end, it is obvious to conclude that pensioners retirement benefits is a system designed to provide the retirees of an organization with a means of security on retirement to have a standard of living reasonably consistent with that which they enjoyed while in the service.

In view of the above therefore, for the welfare of the pensioners in Adamawa State to be provided fully and achieve the purpose which it is meant to achieve, that is for them to be able to enlarge their choices, then their pension and gratuity must be free from delay in the payment, under payment and stoppage of the payment by the pension officers, there must be a need for its effective administration.

Finally, the various scholars and practitioners' views on the concept of pensioners' welfare has been discussed exhaustively and analyzed above, and established from the common opinions that pensioners' retirement benefit is a system designed to provide the retirees of an organization with a means of welfare or security on retirement to have a standard of living reasonably consistent with that which they enjoyed while in the service. At this point we shall analyze Adamawa State pensioners' Retirement Benefit.

### **2.2.9 Pensioners' Retirement Benefits in Adamawa State**

The evolution of Adamawa State Defined Benefit Pension Scheme could be traced from the Nigerian Pension reform's historical antecedent. It emerged as a process. Balogun (2006) assert that the civil service pension scheme of Nigeria's Defined Benefit or Budgetary Allocation

was established by the basic pension Decree 102 of 1979. Similarly, Uzoma (1993) argue, this decree remained the operative law on public servants and military pensions in Nigeria until June 2004.

The establishment of the former Gongola State from the then Adamawa and Saradauna provinces of the North Eastern State on the 3<sup>rd</sup> Feb. 1976 came up with the PAYG pension scheme. Similarly, the creation of the present Adamawa State from Gongola State on the 27<sup>th</sup> August 1991, maintained the same pension scheme (Defined Benefit or Pay-As You Go (PAYG) which is funded 100% by the government of the state through budgetary allocation up to date.

The Adamawa State pension law empirically defined pensioners' welfare similar to the definition offered by Titmuss (2014) above as include; Basic salary at the time of retirement, Rent subsidy, Transport allowance, Utilities, Meal subsidy, and Domestic allowance (for officers on GL 15 & above). This definition is a replicate of what the federal government of Nigeria was practicing before it was toppled by the 2004 contributory pension reform Act, which Adamawa state is still adamant to adopt. Furthermore, section 8(1) of the law states that; an employee retiring from his service should send his notification letter to the Board at "Least" one month before the official date of his retirement, so that the whole process will be completed within this period to mitigate the cases of delay in the payment of pensioners' retirement benefits (pension and gratuity).

#### **2.2.10 Review of Empirical Studies**

In order to complement the conceptual review, previous studies by other researchers are reviewed accordingly. For example, Olu et al (2005) in their study on the "management of pension scheme in Nigeria" focused on the upward review of pensions and gratuities in the



administration of pension scheme in Nigeria. Their study revealed that the upward review of pensions and gratuities in the country without appropriate financing the scheme is the major problem of pension administration in Nigeria.

The study above has left a wide gap that desired to be filled. For example, the study failed to take note of some of the administrative deficiencies such as workers' inefficiencies, inadequate skilled personnel, political interferences in the activities of the pension officers, corruption and lazier-fare leadership leading to delay in the payment, under payment and the stoppage of the payment of retirees' benefits which this study attempt to fill.

Obi (2013:10) in her study on corrupt practices in Nigeria's retirement and pension scheme revealed various administrative evils in the retirement benefits of the pensioners in Nigeria, through 500 respondents across four states including Lagos, Delta, Rivers and Enugu and the Federal Capital Territory Abuja. Her objective was to determine the corruptible practices which exist in gratuities and pensions in Nigeria since 1979, and up-to-date (2013).

The basic argument of her study was that irregularities in the payment of pensioners' retirement benefits pose adverse effects on the pensioners. She hypothesized that delay in the payment of pensioners' pension and gratuity in Nigeria is not the function of corrupt station. This tentative statement was rejected having tested the hypotheses. The study established that there were other factors also that affects pensioners resulting from the delay of the payment of the retirees, these include bribery/financial demand for services constituted 25%, risk and distant travel in pursue of retirement benefits is 17.8%, over-crowded and noisy venue is 21.8% . The study concluded that the corrupt practices in the Nigeria retirement and pension scheme affect the pensioners greatly.

Although the study has recorded a level of achievement, yet it left a lot to be accomplished. For example, in her methodology she only uses pensioners as her population and over look the federal pension staff which would suppose to form part of her population to avoid bias. Her data instrument also was not adequate enough to collect all the relevant data on independent and dependent variables in order to strike the balance and avoid bias, since only the questionnaire instrument was used and was served only on the retirees. Also the study did not say anything about pension scheme as suggested in the topic, and did not tell us the effects of the delay in the payment of the retirees' benefits on pensioners as one of the objective of the study. The study did not reveal other causal factors of delay in the payment of retirees such as mal-administration, political interference of the politicians and inadequate funding which this study has revealed. And the study did not acknowledge the existence of underpayment, stoppage of the payment and nonpayment of the pensioners' retirement benefits as if they were not problems affecting the pensioners.

Paul (2013) in his empirical study on corruption as a problem of pension administration in Nigeria, also focused on why pensioners are suffering from sudden stoppage of the payment of their pension entitlement in Nigeria? He did not observe any administrative problems as suggested in the topic as if that is not a problem. He also hypothesized that there is no significant relationship between corruption and sudden stoppage of pensioners' entitlement in Nigeria. Although the hypotheses was rejected which indicated there is relationship between corruption and sudden stoppage of the payment of pensioners' entitlement, the extent of the relationship was not revealed because the chi-square which was used to test the hypotheses instated of correlation analysis is not capable of determining the extent of their relationships. The study revealed other factors that are responsible for sudden stoppage of the payment of pensioners'

pension through 300 respondents to include lack of trained personnel and absence of computer gadgets in handling the jobs.

Despite the revelations made by the study above, the study failed to recognize the fact that stoppage of payment could be due to administrative problem and inadequate funding. Sometimes the sudden stoppage of the payment of pensioners' entitlement could result from the screening usually organized by the national pension board to checkmate the ghost syndicated pensioners but the study did not recognize that. The study also failed to investigate the effect that such sudden stoppage of payment of retirees posed on pensioners.

Also, a study by Omoni (2013) on 'an overview of the administration of new pension scheme and teachers' level of awareness in Delta State of Nigeria' left a lot of loop-holes. For example: Her methodology was not good enough to generate all relevant data in order to strike balance and avoid bias, since only questionnaire instrument were used and was served only on the teachers and sidelined staff of the primary schools Board and ministry of Education. The study also neglects one important unit of the population completely, that is staff of the pension administrators and dealt with only primary and secondary schools teachers.

Rotimi et al (2013) also in their study on Corrupt Practices and Economic Development in Nigeria, revealed by 45% respondents that underpayment of someone his wages is an aspect of corruption existed in different organization in Nigeria. The major argument of their study is that development in Nigeria is always undermined by corrupt practices of those in the helm of affairs. Thus the poor become poorer and rich become richer. The central hypothesis tested is that a common Nigerian can afford his basic needs because of corruption did not hold to be true. The study established that lack of discipline in the public organizations exacerbates the increasing corruption in the country. However, because the study failed to tell us the effect of such under

payment on the beneficiaries and did not pin down the study to specific organization left much gaps uncompleted.

In his own empirical study on occupational and workers' retirement welfare in developing countries, Bent (2012) focused on the welfare of workers at work and after their retirement. He asked specifically whether or not it is solely to be understood welfare in monetary terms or whether it is necessary to include non-monetary aspects such as happiness. The study also asked what the social science understanding of workers and retirement welfare (occupational welfare) has to offer and what its implication are for the data which is needed to be measure. The study stressed that the only obvious way to measure welfare at and after work is in terms of money. He proposed that retirees' or workers welfare is the sum total of individual workers or retirees' wellbeing. The study revealed the social indicators of workers and retirees' welfare to include satisfaction of payment, health, and belongingness. Others include essential needs of individual workers, retirees and their families, enlarged capabilities such as children's education, housing and charitable activities. The study concluded that the essence of occupational welfare is to provide workers and retirees an economic satisfaction, psychological, sociological and even philosophical relief or contentment.

According to Chukwunye et al (2010) in their empirical study on "staff welfare and productivity" focused on effects of delay in the payment of worker's salaries. It was revealed by 67% of the respondents that delay in the payment of worker's salaries could result to apathy that might hinder efficiency in work performance. It was also found through 63% that it could lead to embarrassing circumstances characterized by inability to pay rent and concomitant quarrel with landlord/caretaker; inability to pay for the schooling of his ward(s); poor dietary intake that

might result to malnourishment; inaccessibility to adequate Medicare; inability to meet with maturing social and financial obligations.

The study is considered to have achieved a great result; however it was quite narrowed to delay in payment as if workers are not facing the problems of under payments and stoppage of the payment of their salaries in the various organizations that they failed to cover. However, this study attempts to fill this gap.

After a critical review of some related literature on the administration of pension scheme and pensioners' welfare, the findings of scholars reveals various administrative irregularities that are impinging on pensioners' welfare. The revelations by these scholars are not without short falls or missing gaps which this study attempt to fill them.

### **2.3 Theoretical Framework**

The theoretical framework for this study is the social contract theory. Thomas Hobbes(1651)is regarded as the first modern philosopher to articulate a detailed social contract theory (1588–1679)in his book titled“*The Leviathan*”.

The justification for the choice of the theory is based on its ability to diagnose and explained the contractual relationship between the sovereign government and its citizens, particularly its retired workers. It can also be justified on the fact that it dichotomizes between what is expect of government to fulfill in its contractual term as well as that of its citizens. It is therefore found worthy to explain the contractual term between the Adamawa State Pension Board (government) and the pensioners in the State on the administration of their pension and gratuity.

## **Elements of Social Contract Theory**

Rauscher. F (1762) in Alubabari (2012) suggests five elements of social contract theory into which contractual approaches may be analysed, namely: (1) the nature of the contractual act; (2) the parties to the act; (3) what the parties are agreeing to; (4) the reasoning that leads to the agreement; (5) what the agreement is supposed to show.

### **2.3.1 Relevance of the Theory to the Study**

In terms of its relevance to the study, Adamawa State government is into contract with the State retirees of the State. The contractual instrument or act as in the first element of the theory is Adamawa State Pension Law 2000. The parties to the act as in the second element are Adamawa State government and the retirees of the State. What the parties were agreed to, are explicit in sections 5a which provided for the effective pension administration in the State, section 5c, provided for the prompt payment of pension and gratuity to retired civil servants of the State and section 5d provided for the regular payment of the retirement benefits to the pensioners of the State. Also, section 8 (1) stated that the procession of the retirement benefits of the retiring officer in the State should be completed within one month to the official retirement date of the officer concerned in order to avoid financial handicap after retirement. More so, the reasoning that led to this agreement or contract as in the 4<sup>th</sup> element of the theory is for the retirees of the state to be provided with the means of livelihood having leave the service of their employer at fulfilling their own term of contract by serving the State government for 35 years of service and 60 years of age, whichever that came first. Finally, as in the 5<sup>th</sup> element of the theory, what the contract or agreement is expected to show is effective administration of the retirees' pension and gratuity, without the delay in the payment, underpayment and the stoppage of the

pensioners' monthly pension to the extent that it will boost their welfare and they can be able to enlarge their choices of life.

However, social contract theory is not without criticisms. For example, Eddy .A and K.K Misra (2005. 74-76) in Alubabari (2012) raised their criticism from the historical, legal and philosophical perspectives. Historically they argue that the idea of a period in time when hitherto free men came together to enter into a contract for the establishment of the state is fictitious. It is also argued that 'primitive men lacked the level of rationality which the contract theory ascribes to men in the State of Nature. From the legal perspective, they said that for the sake of critical argumentation, it is conceded that the resultant contract would still lack a binding force over the parties, and finally from the philosophical angle they argue that it assumes that the relation between the individual and the state is voluntary. But according to the critics, membership in a state is obligatory; hence, the obligations of an individual to the state are not contractual.

However, aside these weaknesses, social contract theory has made a significant contribution in theorizing in the field of humanities.

## **CHAPTER THREE RESEARCH METHODOLOGY**

### **3.1 Introduction**

This chapter of the study explained how the research has been accomplished. That is what the data consist of and how data was collected, organized, and analyzed. Thus, it consists of research design, sources of data, population and sample size, sampling technique and method of data analysis.

### **3.2 Research Design**

This study adopted survey research design through the use of quantitative and qualitative study. This is because the method is capable of studying behaviors, attitude, etc, of (a) person (s). It also studies both large and small groups of population by selecting and studying samples chosen from the population to discover the relative incidence, distribution and interrelationship of independent and dependent variables, in this case, Administration of pension scheme and pensioners' welfare. The variables relating to the study were structured on a five-point Likert scale while interview questions were structured on an interview schedule. Data from interview and questionnaire sources were supported by observation. Secondary data or content analysis is used also to complement the survey research.

### **3.3 Population and sample size of the Study**

Population of the study is 6827 comprised all pensioners in Adamawa State and all the staff of Adamawa State pension board, with pensioners having six thousand seven hundred and eighty three (6,783), i.e. questionnaire respondents' population as at 2<sup>nd</sup> August 2014 (Adamawa State pensioners' register, 2014), while the staff of the pension board are put at forty four (44) in all as the interviewee's population (AD State pen. Board Staff list, 2014). The details of the



population and sample size for the questionnaire and interview respondents were explicated in table 3.1 below.

**Table 3.1: Population and Sample Size of the Study**

S/NO	Category of populations	Population	N0 of sampled respondents	percentages
1	Staff of pension Board	44	6	1.9
2	Retirees/pensioners	6783	318	98.1
3	<b>TOTAL</b>	<b>6827</b>	<b>324</b>	<b>100</b>

**Source:** Researcher's Computation from the Records of Adamawa State Pension Board

In this study the Steely Yamane formula was used to determine the sample size for the population of pensioners and the staff of Adamawa State Pension Boar combined.

In using Yamane formula for the sample size, the following procedure below was employed.

**Sample size for the population using Yamane formula**

$$n = \frac{N}{1+N(e)^2}$$

Where:

- n = sample size
- N = Population
- e = level of significance

The researcher used 5% level of significance to determine the sample size. Therefore, it will be as:-

- n = ?
- N = 6827
- e = 5%

Let's look for 'e' now. To find e, it will be as:

$$\frac{5}{100} = 0.05$$

$$n = \frac{6827}{1+6827 (0.05)^2}$$

$$n = \frac{6827}{1+6827 (0.0025)}$$

$$n = \frac{6827}{1+17.0675}$$

$$n = \frac{6827}{18.0675}$$

$$n = 323.860799778$$

$$n = 324$$

By our calculation therefore, sample size for the study is 323.860799778. However, the study approximate and adopted 324 as the sample size for the study representing 5.53% of the total population of 6827. However, 6 out of 324 were allocated to the staff of pension board to be interviewed, thus 318 size will be served with questionnaire. However in order to control poor responses and non-retrieval of questionnaires from the respondents, as a rule for the use of Yamane formula for determination of the sample size, thirty three (33) questionnaires equal to 10.2% of the real sample size of the questionnaire responded of 318 were added to cover up, thus it raise the sample size to 351.

The justification for utilizing Yamane formula for determination of the sample size is because the formula reduces a large population to a moderate size.

### **3.4 Sampling Techniques**

Sampling technique is the strategy adopted in composing a representative sample of population for the study. For the purpose of this study therefore, since the population of the study include the twenty one (21) local governments in Adamawa state; three local governments was

purposively sampled for the study through stratified random sampling from the three senatorial zones of the State, namely: Ganye local government from Adamawa Southern zone, Yola North and Mubi north from Adamawa northern zone. However, due to the state of insurgency which engulfed the entire Adamawa northern zone as at the moment of sourcing of the data which restrained the researcher from reaching out to Mubi north, the researcher resolved to pick Yola South from Adamawa central zone in the place of Mubi north, which is for the pensioners. While for the staff of ADSPB, 6 people were also sampled using purposive sampling and were interviewed.

The justification for the adoption of this technique is basically judgmental.

### **3.5 Sources of Data**

Primary and secondary sources of data were explored in the study. The primary sources of data consist of the entire retirees in Adamawa State and all staff of the pension board. Questionnaire, interview and observational data instruments were used to source the primary data. The use of questionnaire was justified on the basis of its reliability, convenience, anonymity and low reactivity. While the use of interview is justified on the ground that it reveals information about complex emotionally laden issues like mal-administration, it gives room for additional information. The justification for the use of observation also include the fact it guarantee recording of behaviours or events as they occur, it provide information that relates directly to typical behavioural situation and can be carried out independent of the subject or respondent's willingness or ability to cooperate.

The secondary sources of data explored in this study include official publication of government such as the Adamawa State Pension Law, Staff Register or Staff lists from Adamawa State Pension Board, Official Document from Public Complaint Commission, and

the 1999 Constitution of the Federal Republic of Nigeria. Others include, articles, journals, published and unpublished theses and dissertations and the internet for materials on administration of pension scheme and Pensioners' Welfare. .

### **3.6 Administration of Instrument**

A total of 318 questionnaires were administered on the sampled respondents as indicated in table 3.1. However, 33 questionnaires were added to the 318 sampled size in case of losses and damages, it will cover up. Therefore, 117 questionnaires were distributed randomly to the respondents in each selected local government in each stratum that made up the 351 questionnaires. The questions on the questionnaires were expected to elicit responses from the respondents on the delay in payment of pensioners' benefits, under payment and stoppage of the payment of pension entitlements of pensioners in Adamawa State. The responses of respondents were measured using the five-point Likert scale of strongly agrees agree undecided, disagree and strongly disagree.

While a total of six (6) respondents were interviewed as the key informants. They were representatives of the Staff of Adamawa State Pension Board. These include Permanent Secretary of the board, Director Finance Department, Director Admin Department, Secretary of the Board, Internal Auditor and Staff Officer of the board as can be seen in appendix 4 at the back. The Intention of the interview was to assess official information on the delay payment, under payment and the stoppage of the payment of the retirees' benefits.

The justification for the selection of these categories is because they are the key officers that could know much about the subject matter (administration of pension scheme) and provided the study with reliable and official information.

### 3.7 Method of Data Analysis

For the purpose of analyses, descriptive and inferential statistical tools of analyses were employed in this study. The descriptive tools include the use of frequency counts and simple percentage in analyzing and interpreting data collected were used. However, for the purpose of testing the hypotheses, chi-square, one of the inferential statistical tools was used to measure the level of discrepancies between the observed frequencies and the expected or theoretical frequencies. However, the Statistical Packages for Social Sciences (SPSS) was used to run the test for Chi-Square. Meanwhile, data generated through interview and secondary sources were analysed using content analysis. The formula for calculating the chi-square is expressed as:

$$X^2 = \sum \frac{(f_o - f_e)^2}{f_e} \text{ (Anyadike, 2009).}$$

Where:

$X^2$  = Chi-square

$F_o$  = observed frequency

$F_e$  = expected frequency

$\Sigma$  = summation

The degree of freedom is the number of freely varying scores within the sample. The difference is always '1' less than the sample size. Thus, is given as:-

$$Df = N - I$$

The level of significance refers to the maximum probability with which we could be willing to risk. It could equally be referred to as maximum probability of making type one error designated as alpha. That is error which occurs if a hypothesis is rejected while in the real or actual fact is true. For this study, the level of significance is 0.05.

## **Decision Rule**

If the calculated test figure becomes less than the critical test figure for significance level obtained from statistical table, then the hypothesis will be accepted. However, if the calculated test figure is greater than the critical test figure obtained, then the hypothesis will be rejected.

The justification for using chi-square method of data analysis for this study is because:

- It is a suitable tool for testing the significance of difference between observed frequencies and expected or theoretic frequencies (goodness of fit).
- It also tests the significant difference between independent samples. Thus, suitable for this research work since it deals with relationships between two variables (administration of pension scheme and pensioners welfare).

## **CHAPTER FOUR**

### **OVERVIEW OF THE BACKGROUND OF ADAMAWA STATE PENSION BOARD**

#### **4.1 Introductions**

This chapter discusses the activities of the Adamawa State pension board in the administration of the pensioners' welfare or retirement benefits in the state. The chapter essentially discussed the establishment of Adamawa State pension board, members of the

board, powers and functions of the board, funding, evolution of Adamawa State defined benefit or budgetary pension scheme in the State and benefits payable to pensioners. It also discussed computation and checking application, organizational structure and the various complaints filed by pensioners against the board by the PCC in the State.

## **4.2 Background of Adamawa State Pension Board**

The Adamawa State pension board was established in 2000 through the bill number 8 of 2000 as a result of the increasing need for better administration of pensioners' retirement benefits. Since the creation of Adamawa state on the 27th August 1991 from the defunct Gongola state, pension administration has been controlled and managed by the office of establishment of the state. As the state grows and the numbers of pensioners kept increasing, the establishment became highly over-burdened, thus, the need for decentralization and delegation of power raised.

In 2000, the Adamawa state house of assembly enacted bill no. 8 of 2000 into law which became Adamawa state pension board, which came into operation on the 31<sup>st</sup> day of October 2000. It is therefore enshrined in section 3 of the law that it is hereby established for the state a board which shall be known as the Adamawa state pension board which shall be a body corporate with perpetual succession having common seal, with power to sue and to be sued in its corporate name and acquire, hold and dispose off movable and immovable property

### **4.2.1 Members of the Board**

The Adamawa state pension board, by section 4 (1) constituted of members that include chairman known as executive chairman. The board has two permanent members who are people of proven integrity usually appointed by the executive governor subject to the approval of the members of the Adamawa state House of Assembly. The executive chairman also is appointed

by the governor from among persons of proven integrity subject to approval by the members of Adamawa State House of Assembly and paid allowances as the governor determine from time to time.

However the chairman may at any time can be removed from office by the governor for inability to discharge the functions of his office whether arising from infirmity of mind or body or of other cause or for misbehaviors. On the other hand, the chairman may wish to resign his membership willingly by notice in writing addressed to governor and shall, on the acceptance of the notice by governor ceased to be a member and the chairman of the board.

The chairman and members of the board shall stay or hold the office for the period of four (4) years, and on condition that might specified in the letters of their appointment. There is also a secretary to the board, who is called a permanent secretary.

#### **4.2.2 Powers of the board**

The Adamawa state pension board has power as conferred to her and enshrine in section 9(1) of the law to appoint such other offices, as may be required by it in line with existing civil service rules and regulations, although subject to the approval of the executive governor of the state. The remuneration of such officers appointed shall be determinative by the board subject to the approval of the governor.

Also, the board has power to discipline. It is responsible for discipline and promotion of its employees on accordance with the existing relevant labour regulations in operation in the state civil service of the state

#### **4.2.3 Functions of the Board**

The Adamawa state pension board following the mandate as provided by section 5 of the state pension act (2000) is charged with the following functions.

1. To ensure effective pension administration in the state



2. To minimize the incidence of ghost syndicated pensioners.
3. To ensure efficient and prompt payment of gratuity to retired civil servants of the state.
4. To ensure regular and prompt payment of benefits to pensioners.
5. To ensure regular and efficient data collection in respect to the retired civil servants of the state.
6. To ensure regular and efficient data collection in respect of its serving staff.
7. Liaise with the establishment department in the office of the head of the civil service and the state ministry of finance and economic planning on gratuity and pension matters.
8. Liaise with presidency, office of establishment and management service on pension matters; and
9. Liaise with the directorate of military on pension matters.

#### **4.2.4 Benefits payable to pensioners**

Based on section 6 (1a) of the pension law, the benefits payable to pensioners consisted of monthly pension, gratuity and other benefits payable in accordance with the provision of the law, instrument or policy for the time being regulating the payment of pension in the public service of the state, and allowance and gratuity payable to an established employee or unestablished employee in accordance with the provisions of any law, instrument or policy for the time being regulating such benefit to pensioners in public service of Adamawa state.

#### **4.2.5 Evolution of budgetary or defined benefit pension scheme in Adamawa state**

The evolution of Adamawa state defined benefit pension scheme could be traced from the Nigerian pension reforms development historical antecedents, although need not be here to begin from the first ever legislative instrument on pension matters in Nigeria which was the pension ordinance of 1951. However the establishment of defunct Gongola state from Adamawa and Sardauna provinces of north eastern states on 3<sup>rd</sup> Feb. 1976 came up with the budgetary or

defined benefit pension scheme. Similarly, the creation of the present adamawa state from the then Gongola state on 27<sup>th</sup> august 1991, maintained the same pension scheme (defined benefit or pay- as you go (PAYG) or even budgetary scheme, which is funded 100% by the government through budgetary allocation in the state.

Prior to the year 2004, this pension scheme (defined benefit) was in practice in Nigeria generally. However, the emergence of contributory pension benefit in 2004 toppled the budgetary scheme. Unfortunately or fortunately, Adamawa state government is still adamant to the new contributory pension scheme, the old budgetary scheme is still in use in the state up to date.

#### **4.2.6 Funding of the Board**

As provided by section 10 (1), the Adamawa state pension board is funded by the Adamawa state government. The board maintains a fund consisting of such money as may be funds for the following:

- a. Pensions, gratuity and other allowances of pensioners.
- b. Allowances payable to ex-officio members
- c. Salaries and allowance of its employee
- d. Payment for any expenses incurred in doing anything incidental to the functions of the board under the pension law of the state.

#### **4.2.7 Computation of the Retirement benefits (pension and gratuity)**

The Adamawa state pension law section 8 (4) provided that subject to the provision of any law, policy, or instrument for the time being regulating the payment of pensions, gratuities and allowances and other retiring benefits to persons in the public service of the state, the officer who is due for retirement on the state ministry extra-ministerial department concerned shall submit the application of the officer for retirement benefits payable under the Adamawa

State pension law to the board at least one month before the official or employee concerned is due to retire from the service of the state government. This is to enhance quick procession of his benefits such that the officer concerned will not be stranded without money after his retirement.

Within the one month period to his retirement, the copy of the application in respect of the person shall also be forwarded to the state civil service commission for information and approval. The ministry/ extra-ministerial department concerned, after approval of the establishment department, will forward to the board for payment. However, the board will check the document brought from the establishment and submit the same to state auditor- general for final checking and if certified as being correct, return same to the board for final computation and payment. The process shall be completed within one month to the officer's retirement date, such that the gratuity of the officer concerned shall be paid in the preceding month and the payment of his monthly pension will commence immediately.

However, subject to the provision of any law, policy or instrument for the time being regulating the payment of the pensioners' benefits or welfare, the substance of the said gratuity and pension shall include, a- basic salary, at the time of retirement, b- rent subsidy at the time of retirement, c- transport allowance, d- utilities, e-meal subsidy, f- domestic allowance (for officers on GL15 and above) etc.

These are calculated as can be seen in table 1 below:

**Table 4.1 Formula for Computation of Gratuity and Pension Based on Percentage (%) of Final Salary of Retirement**

Years of qualification for gratuity / pension	Gratuity as % of total emolument	Pension as % of final total emolument	Years qualifying for and gratuity pension	Gratuity as % of total emolument	Pension as % of final emolument
5	100	-	0	180	50
6	108	-	21	188	52
7	116	-	22	196	54
8	124	-	23	204	56
9	132	-	24	2122	58

10	100	30	25	220	60
11	108	32	26	228	62
13	124	36	28	244	66
14	132	38	20	252	68
15	140	40	30	260	70
16	148	42	31	268	72
17	156	44	32	276	74
18	168	46	33	284	76
19	172	48	34	292	78
			35	300	80

Source: Adamawa state pension law 2000

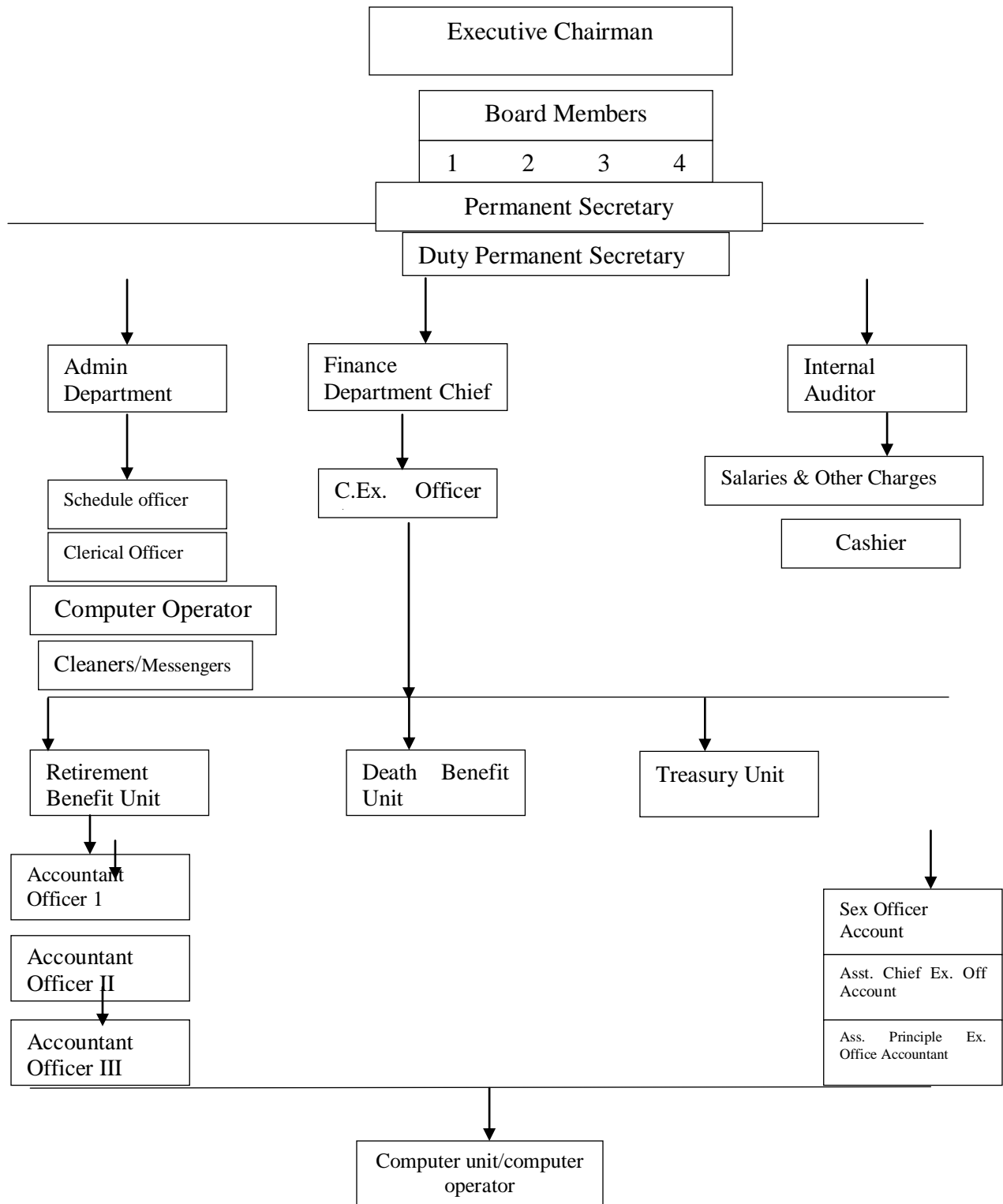
The table above shows how pensioners welfare or retirement benefits are computed in Adamawa state pension board. The key issue in the retirement benefits is gratuity and pension. What constitute gratuity and pension as listed above are the hallmark of pension and gratuity at the time of retirement. An officer leaving the service before putting five years in the service has no any benefit. In the same vein, an officer who retired after putting 5-9 years in the service cannot enjoy pension, but will enjoy 100% of the total emolument or allowance as depicted on the table above as his gratuity. Similarly, an officer who retired after putting 10-35 years in the service will enjoy both gratuity and pension.

In addition, an officer who puts 35 years in the service will enjoy 300% bulk payment of the total emolument or allowances above as his/her gratuity, and will be collecting 80% of the said emolument as his monthly pension, till death do them part, with exception of domestic allowance, unless if the officer is on GL 15 or above. As depicted on the table above, the gratuity will be increasing progressively by 8% yearly, beginning after putting 5 year in the service. On the other hand, the pension will be increasing by 2% as soon as one put ten (10) years in service. Based on this provision, if an officer put 35 years in the service as official retirement age he/she will collect 300% of his total emolument as gratuity and will be collecting 80% of his total emolument as his / her monthly pension. (Adamawa state pension law 2000).

#### **4.2.8 Organizational Structure of Pension Board**

The Adamawa state pension board is consisting of the executive chairman and four other board members. It also has permanent secretary and a deputy permanent secretary. The board has two departments and the office of internal auditor. The two departments including finance and the department of administration, each department has sections and units. The department of administration is headed by the board secretary other than the permanent secretary, while finance department is headed by the senior accountant of the board. The department of administration has schedules and sections headed by schedule officers, it also have other clerical sections or units, then cleaners and securities. On the other hand, finance department has section of salaries and other charges, cashier office, the office of chief executive accountant, the unit of retirement and benefits, death benefit unit, treasury unit, it also have accountant 1, ii and iii, assistant chief executive accountant, senior executive accountant and the principal accountant. It also has computer section or unit and then messengers/ cleaners

**Fig 4.1 the Organogram of Adamawa State Pension Board**



Source: Adamawa State Pension Board official Document.

#### **4.2.9 Functions of the Board Members**

The Board members performs political functions in the Board. It is the body that is responsible for the policy making in the board. They are appointed basically to assist the Board in overall political control and direction of the Board. They are responsible for the acts of the departments including the various units. The Heads of the Departments are answerable to the members as they deal with them directly. The permanent secretary is part of the Board members. The most important duty of the Board members is to play a full part in reaching decision on policy matters which only the executive council can take.

#### **4.2.10 Functions of the Departments**

The major functions of Administration department in the Board concerned personnel management. It deals with coordination, organization and directing the workers in the Board. It handles some clerical works such as preparation of staff list, mail, annual leave, staff schedule, research, training, file works and other sportive functions.

Finance department on the other hand, deals with monetary aspect of the function of the Board. It is the department that deals directly with the pensioners benefits. It handles issues of pension and gratuity of pensioners, computation of these benefits; it also deals with death benefits, treasury function, and audit functions. It also deals with salaries and other claims of staff of the pension Board.

#### **4.3 Complaints by the pensioners of mal-administration on their retirement benefits in Adamawa State Pension Board**

Despite the critical functions of Adamawa State Pension Board to facilitate the efficient and prompt payment of pensioners' welfare in the state, to minimize the incident of corrupt practices on pensioners' welfare and syndicated ghost pensioners, as well as effective

pension administration in the state, the Board has being challenged on delay in the payment of pensioners welfare, under payment, stoppage and nonpayment of pensioners welfare, losses of files of the pensioners etc which attracted exodus complaints from the pensioners to the Public Complaint Commission in Adamawa State. Such complaints are categorized and tabulated in tables below.

**Table 4.2 Complaint on delay in the payment of gratuity**

S/No	Date/Year	Name of the complainant	Employer of the complainant	Period covered	PCC Resolution
1	12/1/2004	Ababukar Madagali	Ministry of social welfare	Three year	Order was placed on PB to hasten the payment
2	8/8/2007	Anthony Pius	Adamawa State Agricultural management	34 months	Order was placed on PB to pay
3	26/8/2009	Bello Madagali	Ministry of women affairs	21 months	No Proper record was found
4	8/11/2011	Amaka C. Okoye	Post primary school's management Board	38 month	Her Record of Service card was lost
5	3/5/2013	David Titikus	Adamawa Home & Service Ltd	46 months	Order was placed on PB to pay
6	16/5/2013	Jonah Kalura	Ad. Civil service commission	29months	Order was placed to pay
7	11/6/2013	Geoffrey Bitrus	Ministry of Agriculture	39months	Order was placed on the Board to pay.
8	22/5/2014	Mr. Jonathan Hilary	Ministry of L. and survey	48 months	On going
9	8/6/2008	Bello Beasa	Ministry of Information	26months	The complainant later lost interest
10	1/12/2008	Isa Garba	State Pension Board	31 months	No backing document was president by the complainant
11	15/1/2010	Usman Mohammed	Adamawa State Broadcasting Corporation	27months	The complaint required PCC to stay action

Source: Document (register of cases) of the Public Complaint Commission Adamawa State.

Table 4.2 above shows the number of the pensioners` complaint to the public complaint commission about delay in the payment of their gratuity by the Adamawa State Pension Board. The table contains serial number 1-11, the names of the complainants, the former employer of the complainant, the period of the delay and the resolution of Public Complaint Commission in Adamawa State about the matter.



**Table 4.3: Complaint on Delay in the Payment of Pension**

S/N	Date/year	Name of the complainant	Former employer of the complainant	Period of Delay before complaint	PCC Resolution
1	12/1/2005	Abu Abdulkaminu	Post primary schools Board	8Months	The officer later died
2	14/12/2006	Linus Malaro	Post primary schools Board	13th Month	The complaint was advised to meet PB
3	25/5/2007	Usman Machide	Adamawa State Pension Board	12months	The complaint was not qualified for Pension.
4.	8/8/2007	Anthony Pius	Ada.St Agricultural Management Authority	14 months	Order was placed on PB to pay
5	8/4/2004	Binta Bawa	Ministry of water Board	8Months	Order was placed on PB to pay
6	16/4/2004	Hassan Audi	Post primary school	11Months	Order was place on PB to pay
7	28/4/2004	Idris Siraj	Ministry of social welfare	10 Months	Order was Placed on PB to Pay
8	6/5/2004	Annah John	Adamawa State Broadcasting Cooperation (ABC)	15 Months	Order was placed on PB to pay.
9	22/2/2004	Samuel Zira	Ministry of Judiciary	12 months	Not entitle for the pension
10	8/6/2009	Bello Busa	Ministry of information	11Months	The complainant later lost interest
11	1/12/2008	Isah Garba	State Pension Board	13 months	No clear documents to back the case
12	18/2/2008	Jremiah Jress Tide	State Pension Board	16month	Order was placed on PB to pay
13	21/5/2009	Mohammed T. Babaye	Post primary schools management Board	11months	No supporting document was found
14	15/1/2010	Usman Mohammed	Ad.State. Broadcasting corporation Yola (ABC)	7 Months	The complainant latter required PCC to stay action
15	6/1/2014	Usman Mohammed	Ministry of judiciary	7Months	Order was placed to pay
16	21/1/2014	Dalahatu Tumba	Ministry of works and Housing	9months	Order was placed on PB to pay
17	21/1/2014	Safiya Ngaraba	Ministry of water resources	10months	Order was placed on PB to pay
18	26/1/2014	Adanu Pascal	Ministry of education	11Months	Order was placed on PB to pay
19	27/1/2014	Kauna Adayo	Ministry of woman Affair	12 months	Order was placed to pay
20	26/6/2014	Martina Mark	Primary School's Board	10 Months	The complaint was not genuine and the case was dismissed
21	28/6/2006	Ibrahim Audu	Bajabure Industrial Company limited	18months	The case was forwarded to the court of law
22	9/9/2012	Ibrahiin m Bala	Spots Council	6months	The case was forward to the court of law.
23	11/3/2006	Usman Musa	Ministry of Agric.	13 months	Order was placed on PB to pay

Source: Public complaint commissions register of cases, Adamawa State breach (Pension cases from 2004- 2014).

Table 4.3 above indicated the complaints of the pensioners to the public complaint commission about delay in the payment of their pension. The table contained the serial number 1-23, the date of the complaint, the names of the complainants, the former employer of the complainants before retirement, duration of the delay in the payment of his pension before complaining to the PCC and the resolution of the PCC.

**TABLE 4.4: Complaint On Under Payment of Pension**

S/N	Date/year	Name of the complainant	Former employer of the complainant	PCC Resolution
1	28/1/2004	Sulie Usman	Ministry of Agric.	The P B. was asked to effect correction
2	23/6/2005	Kulserni Idris	Ministry of water board	Order was placed to make adjustment
3	11/12/2006	Thaddeous Gershani	Civil Service Commission	The case was later dismissed
4.	6/6/2009	Bello Busa	Ministry of information	Order was placed to correct
5	22/2/2008	Alahaji A.T. Zaria	Adamawa State Pension Board	The complainant's pension was found correct
6	26/5/2009	Ababukr M.I. Tarabua	Ministry of Justice	Order was placed on Pension Board to effect correction
7	26/5/2009	Sambo Midala	Ministry of information	Order was placed on PB to effect correct
8	5/5/2009	Adanya Aha	Ministry of culture and tourism	order was placed on the PB to effect correction
9	10/11/2009	Usman Usuni	Adamawa State Pension Board	the complainant was later died
10	23/3/2012	Audu Ibrahim	Bajabure Industrial company Ltd	The case was forwarded to the court of law
11	6/5/2012	Marta Maigori	Post primary schools Board	the case was forwarded to the court of law
12	3/5/2013	David Titikus	Adamawa Home and service Ltd	order was placed on PB to effect correction
13	16/5/2013	Jonah Kalura	Adamawa State Civil Service Commission	order was placed on the PB to effect correction
14	14/5/2013	Karin Gayangas	Ministry of Education	Order was placed on PB to effect correction
15	18/8/2005	Samuel Japhet	Primary Schools Board	The complainant later lost interest
16	18/12/2008	Jeremiah J. Tide	State Pension Board	Order was placed on PB to effect correction

Sources: Public complaint commissions register of cases: Adamawa State Branch (pension cases from 2004-2014).

Table 4.4 shows the number of pensioners that forwarded their complaint to the public complaint commission in Adamawa State about the under payment of their pension. The table contained serial number, date that the was registered or brought to the PCC, the name of the complainant, the former employer of the pension or otherwise known as the place of his work before retirement and the PCCs resolution about the ca

**Table 4.5.: Complaint on under payment of gratuity**

S/N	Date/year	Name of the complainant	Former employer of the complainant	Resolution of the PCC
1	8/1/2004	Sulei Usman	Ministry of Agric.	The complainant lost interest later
2	8/1/2004	Confidence Chavala	Ministry of works and Housing	Order was placed on PB to effect correction
3	27/1/2004	Adamu Audu	Ministry Health	Order was placed on PB to effect correction
4	26/1/2003	Abu Abdulkarimu	Post primary schools board	The officer was later died
5	18/1/2008	Jeremiah J Tidi	State Pension Board	Order was placed on PB to effect correction
6	22/12/2008	Alaharji .A.T.A	Adamawa State Pension Board Yola	The complainer's benefits was found correct
7	21/5/2009	Mohammed T. Babayale	Post Primary Schools Management Board	The complainer did not provide supporting accountant
8	26/5/2009	M.I. Taradu	Ministry of judiciary	Order was placed on PB to effect correction
9	26/5/2009	Sanusi Jammilu	Ministry of Water R.	Order was placed on PB to effect correction
10	9/6/2009	Daniel Sammua	Ministry of education	Order was placed on PB to effect correction
11	15/1/2010	Usman Mohammed	Adamawa State Broadcasting corporation (ABC)	The complainer later required PCC to stay action
12	1/4/2010	Andrew Elder	Ministry of Judiciary	Order was placed on PB to effect correction
13	5/5/2013	David Titus	ADS. Home & Service	Order was placed on PB to effect correction
14	14/5/2013	Salma Kushiu	Primary Sch.Board	Order was placed on PB to effect correction

Source: Public Complaint Commissioners Register of Cases; Adamawa State Branch (Pension cases from 2004-2014)

Table 4.5 above shows how 14 pensioners complaint about the under payment of their gratuity to public complain commission in Adamawa State from 2004-2014. They were brought to the PCC, the name of the complainer, the last place of work of the pensioner, and the resolution of the PCC about complaints.

**Table 4.6: Complaints about stoppage of the payment of pension**

S/N	Date/Yrs	Names of the Complainants	Former Employer of the Complainants	PCC Resolution
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1	3/1/2004	Umaru Muhammed	Ministry of Water Resources	Order was placed on PB to pay
2	4/4/2004	Magdalin Abdullahi	Post Primary School's Board	It was forwarded to the court of law
3	28/5/2004	Alhaji Inuwa	State Civil Serv. Comm.	Order was placed on the board to pay
4	26/8/2004	Ishaya kantu	Ministry of Works	Order was placed on the PB to pay
5	18/8/2005	Samuel Japhet	Primary Sch. Board	The complainant later lost interest
6	18/6/2006	Umaru Sule	Area court	Order was placed on the PB to pay
7	1/7/2006	Mallam Musa U.	Adamawa Agricul.Dev.Pro.	Order was placed on PB to pay
8	14/12/2006	Linus Malaro	Post Primary School's Board	The complainant was advised to meet PB
9	23/11/2006	Auwalu Abdullahi	Ministry of Land & survey.	Order was placed on the PB to pay
10	1/12/2008	Isa Galadima	State Pension Board	No clear backing document by the complainant
11	22/2/2009	Molid Umar	Min. of Housing	The complainant appointment Letter was not seen, he was advised to meet his employer
12	15/1/2010	Usman Muhammed	Adamawa Agricul.Dev.Pro	The complainant required PCC to stay action
13	1/4/2010	Andrew Franus	Min. of Works & housing	Order was placed on PB to effect correction
14	23/3/2012	Ibrahim Audu	Bajabure Indust. Comp. Ltd	The case was forwarded to the court of law
15	3/5/2013	David	Adamawa Home & service	Order was placed on PB to effect correction

Sources: Public complain commission's register of Cases; Adamawa State (pension cases 2004-20014)

Table 4.6 shows the how 26 pension in Adamawa State complaint to the public complaint commission about the non pay and storage of the payment of the monthly benefit from 2004-2014s the able contained serial numbers date that the complaint was tiled the name of the complainant, the former employee of the complainant and the resolution of the public complaint commission about the complaint.

**Table 4.7: Other complaints**

S/N	Date/year	Name of the	Former employer of the	Nature of the	Resolution of PCC
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		complainant	complainant	complaint	
1	26/8/2004	Kauna Ishaku	Ministry of Works	Loss of file /nonpayment of Benefit	Order was placed on PB to open new file
2	12/8/2009	Said Usman	Adamawa State Pension Board	Loss of file for 8 months & no pay	Order for form file and payment was pleased
3	9/9/2012	Ibrahim Bala	Spots Council	Loess of file, as such no pay for 10 months	The case was forwardness to the court of law
4	11/6/2013	Bitrus Gartan	Ministry of Agric	Non-computation of domestic allowance	Order was placed on PM to make correction
5	22/12/2008	A.A.J. Zaria	State. Pen. Board	Wrongful computation of R. B	The computation was found correct
6	19/12/2014	Zamman John	Ministry of Education	Nonpayment of late moths of benefits	Order was placed on PB to pay
7	23/12/2006	Abdullahi Auwlu	Ministry of L & s	Nonpayment of death benefits	Order was placed to pay 355,5514.54

Source: Public complaint commission's register of cases, Adamawa State (Pension cases 2004-2014)

Table 4.7 shows other complaints by the pensioners in Adamawa State to PCC in the state. The complaints ranging from loss of file, nonpayment of death benefits, wrongful computations of retirement benefits etc. The table contained serial user's date of the complainant, name of the complainant, the resolution of PCC on the complaint.

**Table 4.8 Summary of Pensioners' Complaints**

S/N	Nature of Complaint	Total number	Percentage
1	Delayed Gratuity	11	12.6
2	Delayed pension	23	26.4
3	Under paid Gratuity	14	16.1
4	Under Paid Pension	16	18.4
5	Non-pay/Stopped Benefits	16	18.4
6	Other Complaints	7	8.0
	<b>TOTAL</b>	<b>87</b>	<b>100</b>

Sources: Public Complaint Commission, Register of Cases

Table 4.8 shows the numbers of complaints received from the pensioners in Adamawa State by the Public Complaint Commission from 2004-2014 about the irregularities on their pension benefits by the Pension Board of the State. The table contained the nature of the complaints,

frequency of the complaint and the percentages. Delayed payment of gratuity has 12.6%, delayed pension 27.7%, under paid gratuity 16.0%, under paid pension 18.4%, non-pay/stoppage of pension 18.4% and other complaints have 8.0%.

## **CHAPTER FIVE DATA PRESENTATION AND ANALYSIS**

### **5.1 Method of Data presentation and analysis**

In this chapter, data collected through both primary and secondary sources were presented and analysed. The primary sources were questionnaire, interview and observation. The data collected through questionnaire are presented in tables and analyses using frequency counts and percentages.

The questionnaire were administered on pensioners in Ganye, Yola north and Yola South local governments, they contained questions and responses mostly on independent variable of the study. The responses were measured on five-point Linkert scale. The data from the questionnaire were further interpreted by using chi-square. Based on the presentation, analysis and interpretation of the data, conclusion was made, and the hypotheses postulated in chapter one were tested in order to draw inferences and establish relationship between independent and dependent variable.

Similarly, the data collected from the staff of Adamawa State Pension Board through the interview instrument, the observations made and the secondary data obtained were analysed using content analysis to complement the responses from the questionnaire. The chapter concluded with the presentation of the major findings.

### **5.1.1: Administration of Questionnaire**

A total of three hundred and fifty one (351) questionnaires which is more than the sample size of the study with 33 were administered on the retirees in Adamawa State covering the three selected sampled local governments. These include Ganye, Yola north and Yola south. The 351 questionnaires were administered to the respondents in the respective local governments equally. Fortunately, 318 questionnaires equal to the sample size were recovered from the local governments under study, which represent 85.5% of the total number of questionnaires

administered. The rates of returned questionnaire from each local government are presented in table 5.1 below.

**Table 5.1: The Rate of Returned Questionnaire from Ganye, Yola North and Yola South**

	<b>Local govt.</b>	<b>Total no. of questionnaire Administered</b>	<b>Total no. of questionnaire That returned</b>	<b>Percentage(%) of returned questionnaire</b>
1.	Ganye	117	117	36.8
2.	Yola north	117	96	30.2
3.	Yolasouth	117	105	33.0
<b>TOTAL</b>		<b>351</b>	<b>318</b>	<b>100</b>

**Source:** Researcher's field survey, 2015

Table 5.1 shows the number of questionnaire distributed to various sampled areas and the rates of returned ones. Each local government was served with 117 questionnaires. 117 representing 36.8% were retrieved from Ganye, 96 questionnaires representing 30.2% were recovered from Yola north, while Yola south returned 105 representing 33.0%. The highest returned questionnaire however was from Ganye where there was no loss experienced. This could be due to the sparsely populated nature of Ganye that gave advantage for easy identification of respondents that were served with the questionnaire, unlike Yola north and Yola south that are densely populated which made it difficult to retrieve the questionnaires.

### **Age of the Respondents**

The respondents were asked to identify their age before they retired from the service. This will help to determine whether the respondent was retired by age or by years of service. Table 5.3 shows the distribution of their ages.

**Table 5.2; Age Range of the Respondents before Retirement**

<b>Age Range</b>	<b>Frequency</b>	<b>Percentage (%)</b>
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21-30	0	0
31-40	33	10.4
41-50	85	26.7
51-60	200	62.9
61and above	0	0
<b>Total</b>	<b>318</b>	<b>100</b>

**Source;** Researcher’s field survey, 2015

Table 5.3 indicated the distributions of ages of the respondents at the time of their retirements. The respondents that retired within the age of 51-60 representing 62.9% are the majority. Going by the provision of the pension law, section15 (4) which categorized retirement by age at 60 and retirement by years of service at 35 therefore, it shows that majority of the respondents retired from the service by age. That means the majority are very old people that need support from their retirement benefits for them to survive and get ahead. 26.7% of the respondents retired within the age of 41-50. This category has retired probably because of some other factors such as willing full retirement as specified by law, while 10.4% retired within the age of 31-40 this category falls within range of retirement by years of service.

### **Educational Qualification of the Respondents**

The respondents were also asked to identify their level of education. This is important to the study because an educated pensioner would be able to understand and may judge rightly the affair of his retirement benefits handling by the Board, thus his responses will be treated with confidentiality. The educational qualifications of the sampled respondents therefore are depicted in table 5.4 below.

**Table 5.3; Educational Qualifications of the Respondents**

<b>Highest Educational Qualification</b>	<b>Frequency (f)</b>	<b>Percentage (%)</b>
First sch. Leaving certification	9	2.8
WASC/GCE /SSCE	9	2.8

NCE/ OND/ ND	89	28.0
First Degree/ HND	189	59.5
Post Graduate Degree	22	6.9
<b>TOTAL</b>	<b>318</b>	<b>100</b>

**Source;** researcher's field survey, 2015

Table 5.4 above indicated that only 2.8% that have first school leaving certificate as their qualification. 2.8% of the respondents either have WASC, GCE or SSCE, while 28.0% have NCE, OND or ND. 59.5% have either first Degree or HND which represent the majority of respondents, and 6.9% have Post Graduate certificate. This implies that the majority of the respondents are well educated, thus, the responses obtained was accepted with outmost confidence and regarded as genuine and real.

### **Marital Statuses of the Respondents**

Information about the marital status of a respondent is very important to this study; this is because married respondents have a predisposition to coagulate various foul plays on their RB to specific effects it posed, which may lead to ailing of their family condition. The marital status table is therefore presented below.

**Table 5.4; Marital Status of Respondents**

Status	Frequency	Percentage
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Single	0	0
Married	285	89.6
Separated	0	0
Divorced	12	3.8
Widow/widower	21	6.6
<b>TOTAL</b>	<b>318</b>	<b>100</b>

**Source:** Researcher's field survey, 2015

Information in table 5.5 shows that no single or unmarried respondent among the sampled respondents. However, the married respondents stood at 285, representing 89.6% of the respondents. Also, the table shows that no separated respondents were found, while divorced stood at 3.8%, and the widows/widowers completed the remaining 6.6%. The data in table 5.5 therefore shows that the majority of the sampled respondents were married people that have family responsibilities. Thus, any foul play on the means of their income will affect them greatly.

## 5.2 DataAnalysis

The data sourced from the respondents in Ganye, Yola north and Yola south local governments are duly presented and analysed in tables below.

### 5.2.1 Delays in Payment of Pensioners' Pension and Gratuity

The tables 5.6, 5.7 and 5.8 below provided an information or data about the delay in the payment of pensioners' retirement benefits in the three sampled study areas, including Ganye, Yola North and Yola South, while table 5.9 summarised the responses of the respondents from the three areas.

**Table 5.5: Responses of Respondents on Delay in the Payment in Ganye**

	SA	A	U	D	SD	TOTAL
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	f	%	f	%	f	%	f	%	f	%	F	%
There is delay in the payment of pension and gratuity in Adamawa State Pension Board	38	32.5	30	25.6	20	17.1	13	11.1	16	13.7	117	100
Pension and gratuity are not paid within two months time after retirement of an officer.	40	34.2	30	25.6	20	17.1	6	5.1	21	17.9	117	100
The delay in payment of pension and gratuity is caused by poor administration, inefficiency and inadequate trained personnel in Ad. State Pension Board	64	39.3	12	25.6	17	14.5	14	12.0	10	8.5	117	100
You could not eat three square meal of balanced diet and drink clean water because of the delay in the payment of your retirement benefits.	61	52.1	15	12.8	9	7.7	16	13.7	16	13.7	117	100
you cannot access health facilities because of the delay in the payment of your retirement benefits	50	42.7	19	16.2	15	12.8	19	16.2	14	12.0	117	100

**Source;** Researcher's field survey, 2015

**Key:**

**f**=frequency

**U**=Undecided

**D**=Disagree

**SA**=Strongly Agree

**SD**=Strongly Disagree

**A**=Agree

Table 5.5 shows the responses of the respondents in Ganye Local Government to the five questions as seen in the table. 32.5% of the respondents strongly Agreed (SA) that there is delay in the payment of Retirement Benefits (RB) in Adamawa State Pension Board (ADSPB) which represents the majority. 25.6% represented Agreed (A), while 17.1% stood for Undecided (U), 11.1% Disagreed (D) and 13.7% Strongly Disagreed (SD).

Also, 34.2% strongly agreed that their pension and gratuity were not paid to them in two months after retirement as provided by pension law of the State, this opinion stood for the majority. 25.6% also agreed with the opinion, while 17.1% were mute about it. Another 5.1% disagreed and 17.9% also strongly disagreed.

In the same vein, 39.3 % strongly agreed that the delay in payment of their pension and gratuity is always caused by poor administration, inefficient and inadequate trained personnel. 25.6% also agreed with that opinion, and 14.5% were undecided, while 12.0% disagreed and 8.5% strongly disagreed.

Similarly, 52.1% representing the majority strongly agreed that they could not eat three square meal of balanced diet and drink clean water because of the delay in the payment of their pension and gratuity. 12.8% also agreed with that, while another 7.7% were silent about it, and 13.7% disagreed just as 13.7 strongly disagreed.

Finally, 42.7% representing the majority strongly agreed that they cannot access health facilities because of the delay in the payment of their retirement benefits, just as 16.2% also agreed. 12.8% were quite about it and 16.2% disagreed just as 12.0% strongly disagreed.

**Table 5.6: Responses of Respondents on Delay in Payment in Yola North**

	S A		A		U		D		SD		TOTAL	
	f	%	f	%	f	%	f	%	f	%	F	%
The payment of pension and gratuity are delaying in Adamawa State Pension Board	41	42.7	29	30.2	8	8.3	9	9.4	9	4.9	96	100
Pension and gratuity are not paid in two months time after the retirement of an officer	38	39.6	22	22.9	11	11.5	8	8.3	17	17.7	96	100
The delay in the payment of pension and gratuity is caused by poor administration, inefficient and inadequate trained personnel	50	52.1	15	15.6	5	5.2	15	15.6	11	11.5	96	100
you could not eat three square meal of balanced diet and drink clean because of the delay in the payment of your benefits	40	41.7	20	20.8	15	15.6	10	10.4	11	11.5	96	100
you cannot access health facilities because of the delay in the payment of your benefits	31	32.3	20	20.8	8	8.3	18	18.8	19	19.8	96	100

**Source;** Researcher's field survey, 2015

Table 5.7 shows the responses of the respondents in Yola North on the five questions on delay as seen in the table. 42.7% representing the majority strongly agreed that there is delay in the payment of retirement benefits in Adamawa State Pension Board. Similarly, 30.2% also conceded to that view, though 8.3% did not say anything about it, 9.4% disagreed to that fact, while 9.4% strongly disagreed.

Also, 39.6% which stood for majority strongly agreed that their pension and gratuity were not paid to them in two months after their retirement as provided by the pension law of the State. 22.9% also agreed with the same, while 11.5% were undecided. However, 8.3% disagreed; while 17.7% strongly disagree.

Similarly, 52.1% strongly agreed that the delay in payment of their pension and gratuity is always caused by poor administration, inefficient and inadequate trained personnel. 15.6% agreed with that opinion also. 5.2% were undecided, while 15.6% disagreed to that fact and 11.5% also strongly disagreed with that.

Again, 41.7% which represented the majority have strongly agreed that they could not eat three square meal of balanced diet and drink clean water because of the delay in the payment of their pension and gratuity. 20.8% conceded to that also, while 15.6% were undecided. 10.4% disagreed just as 11.5% strongly disagreed.

Finally, 32.3% representing the majority strongly agreed that they cannot access health facilities because of the delay in the payment of their retirement benefits, just as 20.8% also agreed. 8.3% were undecided, and 18.8% disagreed, while 19.8% strongly disagreed.

**Table 5.7: Responses of Respondents on Delay in Payment in Yola South**

	S A		A		U		D		SD		TOTAL	
	f	%	f	%	f	%	f	%	f	%	F	%

The payment of pension and gratuity are delaying in Adamawa State Pension Board	42	40.0	18	17.1	14	13.3	14	13.3	17	16.2	105	100
Pension and gratuity are not paid within two months time after retirement of an officer.	48	45.7	16	15.2	9	8.6	12	11.4	20	19.0	105	100
The delay in payment of pension and gratuity is caused by poor administration, inefficiency and inadequate trained personnel in Ad. State Pension Board	34	32.4	20	19.0	15	14.3	17	16.2	19	18.1	105	100
You could not eat three square meal of balanced diet and drink clean water because of the delay in the payment of your retirement benefits.	50	47.6	16	15.2	13	12.4	13	12.4	13	12.4	105	100
you cannot access health facilities because of the delay in the payment of your retirement benefits	29	27.6	20	19.0	14	13.3	21	20.0	21	20.0	105	100

**Source:** Researcher's field Survey, 2015

Table 5.8 shows the responses of respondents in Yola South to the five questions on delay in payment of RB in ADSPB as indicated in the table. 40.0% as majority strongly agreed that there is delay in payment of RB in ADSPB, just as .17.1% also agreed. 13.3% were undecided, and 13.3% disagreed just as another 16.2% strongly disagreed.

Similarly, 45.7% constituting the majority strongly agreed that their pension and gratuity were not paid to them in two months after their retirement as provided by the pension law of the State. 15.2% also agreed with that as well, while 8.6% were mute about it. However, 11.4% disagreed as well as 19.0% strongly disagreed.

In the same vein, 32.4% representing the majority strongly agreed that the delay in payment of their pension and gratuity is always caused by poor administration, inefficiency and inadequate trained personnel in Adamawa State Pension Board

. 19.0% also said the same thing. 14.3% were undecided, while 16.2% disagreed and 18.1% strongly disagreed.

Again, 67.6% which stood for majority strongly agreed that they could not eat three square meal of balanced diet and drink clean water because of the delay in the payment of their

retirement benefits in ADSPB. Similarly, 15.2% agreed with that opinion and 12.4% were undecided, while 12.4% disagreed and 12.4% strongly disagreed.

Finally, 27.6% representing the majority strongly agreed that they cannot access health facilities because of the delay in payment of their pension and gratuity. 19.0% also agreed with that, while 13.3% were undecided and 20.0% disagreed, and 20.0% also strongly disagreed

### Summary of Delay in Payment

Summary of the responses of the respondents covering the three sampled study areas discussed above is presented in table 5.9 below. The table contained cumulative number of the sampled respondents across Ganye, Yola North and Yola South Local Governments.

**Table 5.8; Summary of Responses on Delay for Ganye, Yola North and Yola South Local Government**

	S A		A		U		D		SD		TOTAL	
	F	%	f	%	f	%	f	%	F	%	F	%
The payment of pension and gratuity are delaying in Adamawa State Pension Board	121	30.1	77	24.2	42	13.2	36	11.3	42	13.2	318	100
Pension and gratuity are not paid in two months time after the retirement of an officer	126	39.6	68	21.4	40	12.5	26	8.2	58	18.2	318	100
The delay in the payment of pension and gratuity is caused by poor administration, inefficient and inadequate trained personnel	130	40.9	65	20.4	37	11.6	46	14.5	40	12.4	318	100
you could not eat three square meal of balanced diet and drink clean because of the delay in the payment of your benefits	151	47.5	51	16.0	37	11.6	39	12.3	40	12.6	318	100
you cannot access health facilities because of the delay in the payment of your benefits	110	34.6	59	18.6	37	11.6	58	18.2	54	17.0	318	100

**Source:** Researcher's field survey, 2015

Table 5.9 shows the summary of responses of the total sampled respondents in the three study areas. As indicated in the table, 30.1% of total respondents which represented the majority strongly agreed that there is delay in the payment of RB in ADSPB, in addition to that, 24.2 also agreed. Only 11.3% and 13.2% respectively that disagreed and strongly disagreed, and 13.2%



were undecided. From the data obtained in the table, we can conclude that there is delay in the payment of RB in ADSPB. This finding can be supported by the secondary data sourced from the government official document in Public Complaint Commission in Adamawa State which shows delay in the payment in table 4.2 in chapter four above. It shows various lengths of the delayed payment of gratuity such as 34 months, 21m, 38m, 46m, 29m, 39m, 48m, 26m, 31m, and 27 months. Also, table 4.3 shows different delayed pension as include; 8 months, 13m, 12m, 14m, 11m, 10m, 15m, 16m etc.

39.6% of the total sampled respondents also strongly agreed that their pension and gratuity were not paid within two months after their retirement as provided by the pension law of the State. This opinion is the majority view. Also, 21.4% agreed with that, but 8.2% as well as 18.2% disagreed and strongly disagreed. In view of the above therefore, we can hold that pensioners are not getting their pension and gratuity in good time as the pension law provided. Table 4.2 as well as table 4.3 can back this stand.

Similar to this above, 40.9% as the majority of the total sampled respondents also strongly agreed that the delay in payment of their pension and gratuity is always caused by poor administration, inefficient and inadequate trained personnel. 20.4% conceded, while 14.5% disagreed and 12.5% strongly disagreed. However, 11.6% was indecisive. In view of that therefore, we can say that the delay in the payment of pension and gratuity of pensioners in ADSPB is caused by poor administration, inefficiency and inadequate trained personnel. This view of the respondents can be supported by the peter's obstacle theory in chapter two above. Peter (2014) argues that administration obstacles are always caused by unskilled personnel and poor attitudes.

Also, 47.5% majority of total sampled respondents strongly agreed that they could not eat three square meal of balanced diet a day and drink clean water because of the delay in payment of their pension and gratuity in ADSPB. 16.0% also agreed with that, while 12.3% disagreed and 12.6% strongly disagreed, 11.6 were indecisive. Going by the majority respondents therefore, we can hold the fact that inability to feed well and drink clean water is one of the effects of delayed payment of pensioners' pension and gratuity in ADSPB. Adebajo, (2003) in his own analysis of the effects of poor administration is a back up data or instrument to the claims of the respondents above. He asserted that poor administration and deviant attitudes subverts public institutions and their capacity to perform their assigned tasks proficiently, thereby smashed substantive interest and endangering the lives of the interested people whom these organizations meant to serve.

Finally, 34.6% of the total sampled respondents which stood for the majority of respondents strongly agreed that they cannot access health facilities because of the delay in payment of their pension and gratuity in ADSPB, similar to that, 18.6% also agreed, only 18.2% disagreed and 17.0% strongly disagreed. Although, 11.6% did not say anything about that, however, going by the majority we can say that pensioners are greatly affected by the delay in the payment of their RB in ADSPB since they cannot access the health facilities.

As a back up to the views of the questionnaire respondents, the interviewee (i.e.pension officials) cemented it all, when they were asked whether they were able to meet up with the provision of section 8 (1) of the pension law that directed for the procession of pension and gratuity of a retiring officer within one month to the official retirement date of the officer concerned to avoid financial handicap after retirement, the respondents said that they never meet up with that, especially gratuity being a bulk payment. Here, both the retirees and the pension officials agreed with the information from the secondary data presented in table 4.2 and table 4.3

in chapter four above. However, the pension officials (respondents) do not agree that the delay is caused by poor administration, inefficiency and in-adequate trained personnel as claimed by the retiree respondents.

In order to ascertain that poor administration, inefficiency and inadequate trained personnel is not contributory to the delay in the payment of retirees' benefits as claimed by the interviewee (pension staff), the researcher sought to know how many graduates, HND holders and those with proficiency in accounting and other related course to their working place. Surprisingly, most of the respondents are claiming that government is not giving training allowance to the board, and therefore it affects the number of well trained officers the Board has. That means if government does not give training allowance to the board, the frequency and required training on the needed skills to handle the works will be insufficient, and this serves as demotivator, since staff training serves as a sources of motivation in every organization, absence of it will lead to inefficiency and ineffectiveness in the organization.

From the views of the interviewee above, it is clear that there are contradictions in the claims of the pension officials. It is therefore possible to conclude that Adamawa State pension Board is inadequate of trained staff. And inadequate trained personnel engendered poor administration. This revelation has coincident with Peter (2014) who stated that administration obstacles are always caused by unskilled personnel and poor attitudes.

However, in their opinions, the Staff of the Pension Board (SPB) allied the delay in the payment of pension and gratuity to inadequate funding of the Board by the government, long process of the procession of these benefits, inadequate staffing and cumbersome nature of the work. According to the respondents, sometimes the Government can give the Board as little as fifty million (N50, 000,000.00) naira at the end of a month which cannot settle the retirees'

pension for the month. Unfortunately, almost all the respondents during the interview did not responded when the researcher sought to know the period it used to take before a fresh retired civil servant will begin to get his entitlement and what effort have they made to curtail the over delay in the payment of pensioners' benefits.

However, personal observation of the researcher in the course of the interview also revealed issues that could be associated with corruption. The researcher observed a practical bribery and corruption as well as favouritism and bias which are the tentacles of corruption in the Board. During the interview session with the officers in the Board, as the researcher was seated in the waiting room, or rather office of the secretary to the perm-sec. of the Board, he overheard one officer in his interaction with a pensioner or retiree demanding for fleecing money from the retiree. I quote their conversation: "... the delay in the payment of your gratuity was caused by yourself, the officer said. We arranged that you will pay me five thousand (₦5000) naira for me to search for wherever your file is hiding and forward it for the procession of the payment of your gratuity, but you only sent me two thousand (₦2000) naira". He continued, and said, "You see, it is not my duty to look for files for any payment in this board, so for me to do that for anybody, the person has to pay me for it". This is a clear corruption in the form of bribery. This act exemplified one link of bureaucratic low-level of corruption as postulated by Jain (2001), where he stressed that at this level, a bureaucrat performs corrupt practices in his interaction with populace at lower level of public affairs. This was reiterated by Gupta et al (2001), they argue that the corrupt official takes bribes to perform or render a service assigned to them by law as their official duties or to perform task which they are not supposed, or delegated to do.

Again another observation was made by the researcher right in the office of the permanent secretary of the board himself, which portrays that there is interference of some

external forces which may lead to the delay. When the researcher was seated in the visitor's chair, waiting to get the attention of the perm-Sec for the interview, somebody came in with a letter and complementary card enclosed the letter in his hand. The letter was from one of the highly placed dignitaries of the state, instructing that the perm sec should pay his uncle his gratuity that very month (December, 2014) unfailingly. The researcher saw how the perm sec. pulled his drawer and removed a file and clipped the complementary card on the right-hand corner of the letter and put it inside the file and then returned it to the drawer.

Later the researcher asked the officer (perm-sec) about the file which he removed from his drawer. I quote his response; "you see, these are some of the problems we are having here. The file you saw contained requests from the governor, deputy governor, SSG, commissioners etc. demanding payments for their relatives and their party faithful, and we have no reason to say no, and by the time we pay all the requests from these people, those that were waiting for long and next in the queue would have nothing left to receive as payment".

Here, we can say that bias and favoritisms are contributing to the delay in the payment of the retirees' benefits which is one of the active forms of corruption. This act also justified the second link of low-level of bureaucratic corruption as forwarded by Jain (2001) that this type of corruption is taking place between the political elite and the public bureaucrats.

From the two observations made above, it means that beside the administrative problems of the delay in the payment of the retirees' benefits, there is corruption. It implies also in the first observation that payment of retirees' benefits in the Board could be bargained (based on the highest bidder). And also in the second observation it implies that political influence plays a greater role in the lateness of the payment of pensioners' benefits not minding the principle of

first come, first serve. These attitude are the true confirmation of what Rose Ackerman (2008) described as four-level of generic corruption cited in chapter two above.

The first one regards the allocation of a scarce public benefit. Here, she said the corrupt officials may assign these benefits to the qualified applicants on the basis of which of them is willing to pay the highest price for it rather than on objective assessment. The objective assessment in this case, is first person to retire, first person to be paid, not based on god-fathers and favouritism. The second one she said, concerned the allocation of public aid, which is to be allocated based on need. The official's assessment of need cannot be precisely measured, and as such it cannot be disregarded that they may be affected by bribes offered by those who need aid most. In this case, those needed to be paid their pension and gratuity, which the probers and godfathers overlaps because they cannot finance bribe and they have no godfather are those officers that their needs were not assessed by the pension officers. Thirdly Rose-Ackerman discussed the concept of speed money (bribe), where official may deliberately delay the process and procedures additionally to extract higher bribes from the populace.

These attitudes also contravened "*nature of contractual act*" as the first element of social contract theory used in the study", which states that there should be effective pension administration in the State, efficient and prompt payment of pension and gratuity to retired civil servants in Adamawa State.

### **5.2.2 Under Payment of Pensioners**

Also, on the issue of under payment of the pensioners, respondents were asked some questions, their responses are presented in tables 5.10, 5.11, 5.12 for the individual study areas, and their views were summarized in table 5.13.

**Table 5.9 Responses of the Respondents on Under Payment in Ganye**

	SA		A		U		D		SD		TOTAL	
	F	%	f	%	f	%	f	%	f	%	f	%
Pensioners' are under paying their pension and gratuity in Adamawa State Pension Board	40	34.2	32	27.2	14	11.9	12	10.3	19	16.2	117	100
You had the Personal experience of under payment of your pension and gratuity.	40	34.2	30	25.6	18	15.4	11	9.4	18	15.4	117	100
The under payment of your pension and gratuity is caused by inefficiency of the personnel, poor attitudes and improper supervision.	47	40.2	25	21.4	11	9.4	14	12.0	20	17.0	117	100
The under payment of your pension and gratuity affects your ability to pay school fees for your children.	51	43.6	36	30.8	13	11.1	7	6.0	10	8.5	117	100
You cannot be able to wear good and changeable clothes because of the under payment of your pension and gratuity.	61	52.1	8	6.8	13	11.1	5	4.3	30	25.6	117	100

**Source:** Researcher's field survey, 2015

Table 5.10 above shows the responses of respondents in Ganye Local Government. As indicated in the table 5.10, 32.2% strongly agreed that there is under payment of pensioner's retirement benefit in the ADSPB. And 27.4% also agreed to that fact. 11.9% did not disclose their opinion, while 10.3% disagreed just as 16.2% also strongly disagreed.

Similarly, as shown in table 5.10 above, 34.2% which represents the majority respondents strongly agreed that they have personally experienced under-payment of their pension and gratuity, another 25.6% also agreed to the same. 15.4% were undecided, 9.4% disagreed, while 15.4% strongly disagreed.

Again, 40.2% of the respondents vehemently agreed the under payment of their pension and gratuity were caused by inefficiency of the personnel, poor attitudes and improper

supervision, and 21.4% also agreed. 9.4% for undecided. 12.0% disagreed, while strongly disagreed carried 17.0%.

Also, 43.6% strongly agreed that they were unable to pay their children’s school fees because of the under payment of their pension and gratuity.30.8% also agreed to the same and 11.1% did not respond. However, 6.0% disagreed while 8.5% strongly disagreed.

Finally, table 5.10 above portrayed that 52.1% strongly agreed that they were unable to wear good and changeable clothes because of the under payment of their retirement benefits. 6.8% shared the same opinion with the above, while 11.1% were undecided. 4.3% disagreed just as 25.6% strongly disagreed.

**Table 5.10 Responses of Respondents on Under Payment in Yola North**

	SA		A		U		D		SD		TOTAL	
	f	%	f	%	f	%	f	%	f	%	F	%
Pensioners’ are under paying their pension and gratuity in Adamawa State Pension Board	33	34.4	20	20.8	9	9.4	16	16.7	18	18.7	96	100
You had the Personal experience of under payment of your pension and gratuity.	40	41.6	23	24.0	7	7.3	18	18.8	8	8.3	96	100
The under payment of your pension and gratuity is caused by inefficiency of the personnel, poor attitudes and improper supervision.	30	31.3	27	28.1	8	8.3	9	9.4	22	22.9	96	100
The under payment of your pension and gratuity affects your ability to pay school fees for your children.	48	50.0	19	19.8	10	10.4	9	9.4	10	10.4	96	100
You cannot be able to wear good and changeable clothes because of the under payment of your pension and gratuity.	40	41.7	18	18.8	13	13.5	7	7.3	18	18.7	96	100

**Source:** Researchers field survey, 2015

The table 5.11 above shows that 34.4% of the majority of respondents strongly agreed that there is great under payment of pensioners in ADSPB. In addition to the above, another 20.8% seconded the same view. However, 9.4% were undecided and 16.7% disagreed, while 18.7% strongly disagreed.

In the same vein, the respondents were asked whether they have personally experienced under payment of their monthly pension and gratuity. 41.6% of respondents strongly agreed and



24.0% opted for agreed. 7.3% were undecided while 18.8% disagreed just as 8.3% strongly disagreed.

31.3% strongly agreed that the underpayment of their pension and gratuity is always caused by inefficiency of the personnel, poor attitudes and improper supervision. Also, 28.1% agreed with the same view, while 8.3 were undecided and 9.4% disagreed just as 22.9% strongly disagreed.

More so, 50.0% as majority of the respondents strongly agreed that the under payment of their pension and gratuity affects their ability to pay school fees for their children. 19.8% hold to that opinion too, while 10.4% did not identify their mind. However, 9.4% disagreed as well as 10.4% strongly disagreed.

Finally, 41.7% representing the majority strongly agreed that they are unable to wear good and changeable clothes because of the under payment of their pension and gratuity. 18.8% supported that view, while 13.5% were undecided. 7.3% disagreed, while 18.7% strongly disagreed.

**Table 5.11 Responses of the Respondents on Under Payment in Yola South**

	SA		A		U		D		SD		TOTAL	
	f	%	f	%	f	%	f	%	f	%	F	%
Pensioners' are under paying their pension and gratuity in Adamawa State Pension Board	40	38.1	16	15.2	4	3.8	22	21.0	23	21.9	105	100
You had the Personal experience of under payment of your pension and gratuity.	31	29.5	22	21.0	16	15.2	10	9.5	26	24.8	105	100
The under payment of your pension and gratuity is caused by inefficiency of the personnel, poor attitudes and improper supervision.	42	40.0	13	12.4	10	9.5	3	2.9	37	35.2	105	100
The under payment of your pension and gratuity affects your ability to pay school fees for your children.	33	31.4	22	21.0	16	15.2	11	10.5	23	21.9	105	100
You cannot be able to wear good and changeable clothes because of the under payment of your pension and gratuity.	40	38.1	18	17.1	14	13.3	12	11.4	21	20.0	105	100

**Source:** Researchers field survey, 2015

Table 5.12 above shows that 38.1% of the respondents strongly agreed that there is under payment of pensioners' retirement benefits in ADSPB. 15.2% also agreed with that fact, while 3.8% were undecided and 21.0% disagreed, 21.9 also strongly disagreed.

More so, 29.5% strongly agreed that they have personally experienced under payment of their pension and gratuity, and 21.0% also supported the same view, while 15.2% did not indicate their opinion. 9.5% disagreed and 24.8% strongly disagreed.

Similarly, the respondents were also asked whether the underpayment of their pension and gratuity were caused by inefficiency of the personnel, poor attitudes and improper supervision. 40.0% of the respondents strongly agreed and 12.4% agreed. 9.5% were undecided. And 2.9% also disagreed, while 35.2% strongly disagreed.

Again, 31.4% which is the majority of the respondents strongly agreed that their inability to pay school fees for their children is one of the effects of the under payment their pension and gratuity. 21.0% agreed with the same view, 15.2% was indecisive. 10.5% however disagreed just as 21.9% strongly disagreed.

Finally, 38.1% of the majority of the respondents strongly agreed that they could not afford to wear good and changeable clothes because of the under payment of their pension and gratuity, while 17.7% supported the view, and 13.3% were mute. However, 11.4% disagreed and 20.0% strongly disagreed.

### **Summary of Under Payment for the Three Study Areas in Adamawa State**

Table 5.13 contains the summary responses of the respondents from Ganye, Yola North and Yola South local governments on under payment of pensioner's retirement benefits. The responses of the respondents for each question under each option are added together and the percentages were calculated for the purpose of determining the highest response under each question to help draw an inference. This will make it easy for the reader to comprehend.

**Table 5.12: Summary of the Responses on Under Payment from Ganye, Yola North and Yola South**

	SA		A		U		D		SD		TOTAL	
	F	%	f	%	f	%	f	%	f	%	F	%
Pensioners' are under paying their pension and gratuity in Adamawa State Pension Board	113	35.5	68	21.4	27	8.5	50	15.7	60	18.9	318	100
You had the Personal experience of under payment of your pension and gratuity.	111	34.9	75	23.6	41	12.9	39	12.3	52	16.3	318	100
The under payment of your pension and gratuity is caused by inefficiency of the personnel, poor attitudes and improper supervision.	119	37.4	65	20.4	29	9.1	26	8.2	79	24.8	318	100
The under payment of your pension and gratuity affects your ability to pay school fees for your children.	132	41.5	77	24.2	39	12.3	27	8.5	43	13.5	318	100
You cannot be able to wear good and changeable clothes because of the under payment of your pension and gratuity.	141	44.3	44	13.8	40	12.6	24	7.5	69	21.7	318	100

**Source:** Researchers field survey, 2015

Table 5.13 above indicated the distribution of responses of the respondents covering the three sampled areas. The respondents were asked the existence of under payment of retirement benefit in Adamawa State Pension Board. 35.5% of the total sampled respondents strongly agreed that there is under payment. 21.4% also agree with the same view, while 8.5% were undecided and 15.7% disagreed, just as 18.9% strongly disagreed. In view of the above therefore, 35.5% is the majority opinion of those who strongly agreed that there is under payment in the payment of the retirees' benefits. We can conclude based on this that the pensioners suffer underpayment of their benefits in the Board. The secondary data depicted in chapter four above in table 4.4 and 4.5 respectively, have justified the claim. Where sixteen (16) pensioners equal to 18.4% of the total complaints to the PCC were recorded on under payment of pension, and fourteen (14) pensioners equal to 16.1% were recorded on under payment of gratuity.

Also, 34.9% which represents the majority of the total sampled respondents also strongly agreed that they have personally experienced under payment of their monthly pension and gratuity. 23.6% also agreed, while 12.9% were undecided, only 12.3% and 16.3% that disagreed

and strongly disagreed respectively. This revealed and confirmed the fact that pensioners in Adamawa State are under paid of their retirement benefits.

Again, 37.4% constituted the majority of those who strongly agreed that the under payment of their pension and gratuity is always caused by inefficiency of the personnel, poor attitudes and improper supervision. 20.4% have agreed with the same thing. And 9.1% were undecided, only 8.2% disagreed and 24.8% strongly disagreed.

Similarly, 41.5% of the total respondents, representing the majority of the responses were strongly agreed that they could not afford to pay school fees for their children because of the under payment of their pension and gratuity. 24.2% also agreed, only 8.5% that disagreed just as 13.3% strongly disagreed, and 12.3% were undecided.

Finally, 44.3% of the total respondents covering Ganye, Yola North and Yola South strongly agreed that they could not afford good and changeable clothes because of the under payment of their pension and gratuity. Moreover 13.8% also agreed to that fact, although, 12.5 were indecisive, only 7.5% that disagreed and 21.7% strongly disagreed as seen in the table 5.13 above.

Generally, a careful peruse at the distributions of the responses of the total sampled respondents in the three sampled areas of the study, it is understood that the majority of the respondents attested to the fact that under payment of the pensioners' benefits has been a problem that the retirees suffered in the State, constituting of their inability to pay school fees for their children, inability to feed well and eat three square meal of balance diet a day, etc. they therefore uphold that, the inefficiency of the personnel, poor attitudes and improper supervision is responsible for their trouble. This revelation has thwarted *what the contractual term is supposed to show* as the 5<sup>th</sup> element of the social contract theory used in this study. It is expected

that the output of this contract is the provision of a spectacular welfare for the retirees having fulfilled their own contractual term by rendering meritorious services at their active ages to their employer for either 35years of service or 65years of age.

In addition to these above, majority of the respondents during the interview conceded to the claim that there is serious underpayment of pensioners' benefits. The officials said during the interview session with them that under payment has been one of the serious complaints of the retirees to the board. Although, they have admitted the fact that pensioners are suffering under payment of their pension and gratuity in the Board, they revealed different triggering factors. Most of the respondents began by saying that it will be wrong of them to say that they don't do mistake in the course of their works, since no one can dismiss the fact that mistake is a part of human nature throughout man's activities, as such sometimes they do mistakes in the computation of the pensioners' benefits which may slash down the amount that were supposed to be collected by a pensioner. However, they said as soon as they get the complaint of such from the pensioners, they will review and correct it if the complaint is true or genuine.

However, the respondents elaborated and said, the bulk of the problem lies with the retirees themselves. The respondents added that some of the complaints the Board used to receive from the pensioners about the under payment are not always true. The respondents explained and said "mostly, they complaint out of ignorance of distinguishing between the various salary schemes and which one is applicable to them.

The interviewees cited an example that ministry of health used CONHENS, Adamawa state university pays CONUASS, college of education used CONTISS, Adamawa State Polytechnic used CONTISS, judiciary used Harmonized Scale, etc, while other ministries and other boards and parastatls are using minimum wage. These differences in the salary scales

brought differences in pension and gratuity payable to retirees, the respondents said. The interviewees clarified further and said, a pensioner who retired on GL10 in the ministry of health for example, his pension and gratuity will not be the same with officer retired on GL10 in the ministry of water resources, however when an officer from the ministry of water Resources noticed that his level counterpart from the ministry of health collects higher amount of pension and gratuity than him, he will claimed that he was under paid.

Apart from that, he said further, sometimes even within the same department, there is variation of salaries, for example health worker in the admin section collect less salary than professional health worker within the same department or ministry. So at times, the respondents said, when people from the same department but different units or section retires, the retiree from admin section will always claim that he is being under paid because he want to equate himself with the professional health officer whom they retired on the same Grade Level, not knowing that their salary scales are different.

In view of the above, with the secondary data available in chapter four from PCC in Adamawa State, it is very difficult to discard the claims made by the staff of the pension Board during the interview session with the researcher, that some of the complaints by the pensioners about their underpayment are not always true, especially when we considered the PCC's resolutions on some of the cases it treated. For example, in table 4.4 number 6, Alahaji A.T.A complaint about under payment of his pension, but it was discovered by the PCC that his pension was paid correctly.

Although after the whole story, the researcher sought to know whether those that were genuinely under paid due to the natural human mistakes as claimed by the interviewees, were refunded part of their money which were under paid from the unavoidable mistake in the

computation or not? At this point, the interviewees could not say anything. The question now is why is this question not responded to? Again, why only on under payment that they make mistake of computation and not on over-computation? To answer this question the submission of Rotimi et al (2013) in chapter two came to the fore. Rotimi looked at under payment of another person for whatever reason as an aspect of corruption. Rose Ackerman (2008) also said that some actions of the public officers sometimes are done deliberately to induce corrupt gainful interest.

From all indication of the above scenarios, the victims of the under payments, emanating from so-call mistakes in the computation by the pension staff are not refunded any part of their curtailed amount of money discovered later. This behavior therefore, violated “*the nature of the contractual act*” as the element of social contract theory used in this study. Section 5(c) of the contract stated that there should be “efficient and prompt payment of benefits to pensioners”. The concept “efficient” means the ability to perform function without waste, capable of achieving a desired result without wasting much resource. But the mistake in the payment of retirees has undermined this provision. similarly, in support of this element of social contract theory used, the labour Act, Cap 198 section 5 (1) cited in chapter two above stated that “no employer shall make any deduction or make any agreement or contract with a worker or retiree for any deduction from the wages to be paid by the employer to the worker or retiree” (Laws of the Federation of Nigeria 1990). These have been violated by the officers’ acts.

From the two sides of the stories therefore, no party is exonerated. The pension and gratuity of the pensioners are not without under payment [mal-administration (corruption)], however, some of the complaints of under payments by the pensioners are mere speculations, and they are not true.

### 5.2.3 Stoppage of the Payment of Pensioners' Pension

The tables below discussed the data on the stoppage of the payment of pensioners' monthly pension from the various individual sampled areas in separate tables. The table 5.17 finally summarized the responses of the respondents in the various sampled local governments areas.

**Table 5.13 Responses of Respondents on Stoppage of the Payment of pension in Ganye**

	SA		A		U		D		SD		TOTAL	
	f	%	f	%	f	%	f	%	f	%	F	%
There is stoppage of the payment of the pensioners' monthly pension in Adamawa State Pension Board	39	33.3	20	17.1	15	12.8	18	15.4	25	21.4	117	100
You have personally experienced the stoppage of the payment of your monthly pension	36	30.8	28	23.9	13	11.1	22	18.8	18	15.4	117	100
The stoppage of the payment of pensioners' monthly pension is caused by deliberate act and improper verification of documents during the screenings.	32	27.4	21	17.9	26	22.2	20	17.1	18	15.4	117	100
The stoppage of the payment of your monthly pension hindered you from getting your own house and always quarreling with the landlords on rentage fee.	40	34.2	30	25.6	17	14.5	18	15.4	12	10.3	117	100
The stoppage of the payment of the pensioners' pension made pensioners not looking healthier, happy and prosperous	50	42.7	23	19.7	14	11.9	14	11.9	16	13.7	117	100

**Source:** Researchers field survey, 2015

From the information in table 5.14 it can be seen that 33.3% majority of the respondents have strongly agreed that their pension benefit were fraught with stoppage of the payment in Adamawa state. Another 17.1% also agreed to that, while 12.8% were undecided. And 15.4% disagreed, while 16.7% strongly disagreed.

More so, 30.8% strongly agreed that they have personally experienced stoppage of the payment of their pension, just as 23.9 % also agreed, and 11.1% were undecided. However, 18.8% disagreed just as 15.4% strongly disagreed.

In the same vein, 27.4% of the majority respondents strongly agreed that the stoppage of the payment of their pension benefit iscaused by deliberate act and improper verification of



documents during the screenings. More so, 17.9% were of the same view, and 22.2% were undecided. 17.1% however disagreed to that, and 15.4% strongly disagreed.

Similarly, 34.2% majority of the respondents strongly agreed that they cannot afford good house because of the stoppage of the payment of their monthly pension. Also 25.6% were married to that idea and 14.5% were undecided, while 15.4% disagreed and 10.3% strongly disagreed.

Finally, 45.7% of the respondents strongly agreed that they are not looking healthy, happy and prosperous because of the stoppage of their monthly pension. 19.7% also agreed to the same, while 11.9% were undecided. Another 11.9% also disagreed, 13.7% respondents strongly disagreed to that views.

**Table 5.14 Responses of the Respondents on Stoppage of Payment of pension in Yola North**

	SA		A		U		D		SD		TOTAL	
	f	%	f	%	f	%	f	%	f	%	F	%
There is stoppage of the payment of the pensioners' monthly pension in Adamawa State Pension Board	39	40.6	23	24.0	10	10.4	9	9.4	15	15.6	96	100
You have personally experienced the stoppage of the payment of your monthly pension	40	41.7	17	17.7	12	12.5	11	11.5	16	16.6	96	100
The stoppage of the payment of pensioners' monthly pension is caused by deliberate act and improper verification of documents during the screenings.	36	36.5	25	26.0	10	10.4	13	13.5	13	13.5	96	100
The stoppage of the payment of your monthly pension hindered you from getting your own house and always quarreling with landlord on rentage fee.	40	41.7	18	18.7	9	9.4	14	14.6	15	15.6	96	100
The stoppage of the payment of the pensioners' pension made pensioners not looking healthier, happy and prosperous	51	53.1	11	11.5	11	11.5	11	11.5	12	12.5	96	100

**Source:** Researchers field survey, 2015

Table 5.15 above indicated that 40.6% of the respondents in Yola North have strongly agreed that their monthly pension is fraught with the stoppage of payment. And 24.0% also conceded to that fact, while 10.4% were undecided. 9.4% disagree and 15.5% strongly disagreed.

Again, 41.7% as the majority of the respondents strongly agreed that they personally experienced stoppage of the payment of their monthly pension, and 17.7% also agreed. 12.5% were undecided, while 11.5% disagreed and another 16.6% strongly disagreed.

More so, 36.5% of the majority respondents strongly agreed that the stoppage of the payment of their monthly pension is caused by deliberate act and improper verification of documents during the screenings. 26.0% supported the view. 10.4% undecided, while 13.5% disagreed and 13.5% strongly disagreed.

Similarly, 41.7% representing the majority of the respondents strongly agreed that they could not own personal houses as a result of stoppage of the payment of their pension. Also 18.7% were married to that idea and 9.4% were undecided, while 14.6% disagreed and 15.6% strongly disagreed

Finally, 53.1% as the majority of total sampled respondents in Yola North strongly agreed that they do not look healthier, happy and prosperous always because of the frustration of the stoppage of the payment of their pension. 11.5% were married to the same, although, another 11.5% were so mute about it, while 11.5% again disagreed and 12.5% strongly disagreed.

**Table 5.15 Responses of the Respondents on Stoppage of Payment of pension in Yola South**

	SA		A		U		D		SD		TOTAL	
	f	%	f	%	f	%	f	%	f	%	F	%
There is stoppage of the payment of the pensioners' monthly pension in Adamawa State Pension Board	41	39.0	27	25.7	6	5.7	18	17.1	13	12.4	105	100
You have personally experienced the stoppage of the payment of your monthly pension	40	38.1	25	23.8	13	12.4	8	7.6	19	18.1	105	100
The stoppage of the payment of pensioners' monthly pension is caused by deliberate act and improper verification of documents during the screenings.	29	27.6	20	19.0	13	12.4	17	16.2	26	24.8	105	100
The stoppage of the payment of your monthly pension hindered you from getting your own house and always quarreling with landlord on rentage fee.	49	46.6	30	28.6	5	4.8	8	7.6	13	12.4	105	100
The stoppage of the payment of the pensioners' pension made pensioners not looking healthier, happy and prosperous	30	28.6	18	17.1	13	12.4	15	14.3	29	27.6	105	100

**Source:** Researchers field survey, 2015

Table 5.16 above indicated that 39.0% of the respondents in Yola South have strongly agreed that their pension benefit in Adamawa State Pension Board is fraught with the stoppage of payment. And 25.7% also conceded to that fact, while 5.7% were undecided. 17.1% disagree and 12.4% were strongly disagreed.

Again, they were asked whether they have personally experienced stoppage of the payment of their pension benefit. 38.1% of the majority respondents were strongly agreed and 23.8% agreed also. 12.4% were undecided while 7.6% disagreed and 18.1% strongly disagreed.

Here, 27.6% of the respondents were strongly agreed that the stoppage of the payment of their monthly pension is caused by deliberate act and improper verification of documents during the screenings. 19.0% supported the view. 12.4% undecided, while 16.2% disagreed and 24.8% strongly disagreed.

Similarly, 46.6% majority of the respondents strongly agreed that their inability to own their personal houses remain as the effect of the stoppage of the payment of their pension. Also 28.6% were married to that idea and 4.8% were undecided, while 7.6% disagreed and 12.4% strongly disagreed

In the same vein, 28.6% as the majority of the total sampled respondents in Yola South strongly agreed that they are always looking unhealthy, unhappy and not prosperous indicating the effect of the stoppage of the payment of their monthly pension, 17.1% also married to the same. 12.4% were so mute about it, while 14.7% disagreed and 27.6% strongly disagreed.

### **Summary of the Stoppage of the Payment of pensioners' monthly pension for the Three Areas of the Study.**

Table 5.12 contains the cumulative responses of the respondents in Ganye, Yola North and Yola South Local Governments Areas. The responses of the respondents for each question under each option are added together and the percentages were calculated for the purpose of determining the highest response under each question to help draw an inference. This will make it easy for the reader to comprehend.

**Table 5.16 Summary of Responses from Ganye Yola North and Yola South on Stoppage of Pension**

	SA		A		U		D		SD		TOTAL	
	F	%	f	%	f	%	f	%	f	%	F	%
There is stoppage of the payment of the pensioners' monthly pension in Adamawa State Pension Board	119	37.4	70	22.0	31	9.7	45	14.2	53	16.7	318	100
You have personally experienced the stoppage of the payment of your monthly pension	116	36.5	70	22.0	38	11.9	41	12.9	53	16.7	318	100
The stoppage of the payment of pensioners' monthly pension is caused by deliberate act and improper verification of documents during the screenings.	96	30.2	66	20.8	49	15.4	50	15.7	57	17.9	318	100
The stoppage of the payment of your monthly pension hindered you from getting your own house and always quarreling with landlord on rentage fee.	129	40.6	78	24.5	31	9.7	40	12.6	40	12.6	318	100
The stoppage of the payment of the pensioners' pension made pensioners not looking healthier, happy and prosperous	131	41.2	52	16.4	38	11.9	40	12.6	57	17.9	318	100

**Source:** Researchers field survey, 2015

Table 5.17 as mentioned earlier, is indicating the responses of the total sampled respondents from the three Local Governments namely, Ganye, Yola North and Yola South. The respondents were asked whether their monthly pension is fraught by stoppage of the payment. 37.4% respondents of the total sampled respondents from Ganye, Yola North and Yola South as the majority have strongly agreed that their monthly pension were fraught by the stoppage of the payment. More so, 22.0% conceded to the same opinion 9.7% did not indicated their position. However 14.2% disagreed and 16.7% strongly disagreed.

Again the respondents were asked whether they have personally experienced the case of stoppage of the payment of their monthly pension. 36.5% of the total sampled respondents being

the majority, were affected, another 22.0% also agreed with the same. Although 11.9% were so mute, only 12.9% disagreed and 16.7% strongly disagreed.

In the same vein, 30.2% constituted the majority of the total sampled respondents covering the three sampled areas strongly agreed that the stoppage of the payment of their monthly pension is caused by deliberate act and improper verification of documents during the screenings. 20.8% respondents agreed with the same view, while 15.4% were undecided. Only 15.7% and 17.9% respectively that disagreed and strongly disagreed with the claims.

Similarly, 40.6% of the total sampled respondents strongly agreed that housing problem has become one of the indicators of the effect of the stoppage of the payment of their monthly pension. 24.8% agreed with the same view 9.7% refused to take a side, while 10.6% disagreed with the claim, and 12.6% strongly disagreed.

Finally, 41.2% which constituted the majority of the respondents strongly agreed that they are always unhealthy, unhappy, looking frustrated and not progressing as the effects of the stoppage of the payment of their monthly pension. 16.4% also agreed to the above views, only 12.6% that disagreed and 17.6% were strongly disagreed, although 11.9% were undecided.

The distribution of the responses to the various questions in table 5.17 portrays that majority of the entire respondents agreed to the fact that the pensioners suffered problem of stoppage of the payment of their monthly pension. It shows also that so many of them were affected by the problem. Since the majority admitted that, the position of the respondents above could be supported by the result of study conducted by Paul (2004) where he revealed that a sudden stoppage of the payment of pensioners their pension benefits are caused by corruption. This can be further supported by the secondary data presented in table 4.6 in chapter four above, where the exoduses of complaint on stoppage of the payment of their pension benefit was

recorded. About 16 pensioners registered their complaint on stoppage of payment to PCC in the table within the period under study. They believed that insincerity of the pension officers have constituted a cog in the smooth and continuous payment of their pension and other retirement benefits. That the stoppage is always a willing full act coupled with improper verification of their documents during the screenings.

The above finding therefore have devalued and negate the fourth element of the contract theory used in this study as “*the reasoning that leads to contractual agreement*”; which were to provide the retirees of an organization with a means of security or survival through paying them pension and gratuity on retirement in order to boost their welfare and have a standard of living reasonably consistent with that which they enjoyed while in the service, following their meritorious services rendered to their employer during their active ages as the fulfillments of their own contractual obligations.

Although the interview conducted with the management staff of the pension Board revealed that the stoppage of the payment of the retirees their monthly pension really existed, however, in contrast to the claims of the pensioners’ respondents above, the pension staff interviewees explained the way it occurred differently altogether.

According to them, it occurs as the after-math of the screaming exercise usually organized by the pension Board. The screaming always meant to checkmate the syndicated pensioners or the unfaithful next of kin of the deceased pensioners. The interviewees elaborated and said that the Board came to discover that most of the next of kin of the deceased pensioners do not report the death of their pensioner relatives in order not to stop the payment of his pension; rather they continually collect the pension. In order to checkmate this fraudulent practice by the next of Kin of the deceased pensioners therefore, the Board resolved to be

organizing screening exercise for the pensioners from time to time for the verification of genuine and existing pensioners.

Unfortunately, the interviewees said that in the process, some of the genuine pensioners used to be missed out by the notice about the fixed date for the screening, especially those in the villages where there is no GSM services. After the verification exercise however any persons that failed to appear during the screening, the Board will assume that such people are death, and their pension will be stopped. The interviewees explained further that when the affected pensioners waited for two to three months or so, without getting their pension alert, they will start speculating that they were stopped paying their monthly pension. However, the respondents explained further that when the victims lodged their complaint to them, they can only ask them to bring and present their valid documents for verification purpose after which the payment of their pension will be reinstated if found worthy.

The explanations of the interviewees above seems to be reasonable and convincing, although, the researcher was really disappointed at the way the respondents or the interviewees dismissed his request to know whether the affected pensioners having reinstated the payment of their pension, were used to be paid the arrears of their pension that were not paid for the previous months. After a long silence, the respondents or the interviewees resumed and said sluggishly; ahmm..., you know, as you are told earlier, the Board is not well funded, sometimes we are only given 50 million naira at the end of a month, and out of this, there are some big men's requests that we cannot turn-down, beside the long queued by many other new retirees that wanted to be paid their gratuity or pension, so it is not easy for us to pay their arrears at once. What we normally do, the respondents said, we pay them in installment". However some of the interviewees did not even respond to the researcher's question.

From the narration above, one can deduce that there could be a possibility of a foul play in the process of the screening, stoppage of the pension of a genuine pensioner that failed to show up during screening exercise, and the subsequent installment payment of their withheld pension. For example the question that may be asked, why installment payment? Where is the actual pension (the money) that was withheld? Why can't they just give them the actual money? There is only one answer to these questions. It is just because there is spirit of corruption in the system which outweighed moral conduct and do not allow fair play. This is a confirmation of Durkheim's (1893) moral deregulation of his anomie theory cited in chapter two above.

Finally, the researcher sought to know from the interviewees, why is it that Adamawa State government is yet to adopt the new contributory pension scheme act (2004) which is regarded as a solution to the inherent problems of the budgetary or Pay As You Go (PAYG) pension scheme they are still practicing? The respondent, particularly the permanent secretary claimed that one of the first things he did as soon as he entered the office was to draft a memo to the governor regarding the adoption of the new scheme. After the memo, he sent two reminding letters, beside other memos he saw in the file by his predecessors, but all efforts were not fruitful. The researcher enquired further to know what could be the possible reason that made the executive governor to give a deaf ear to that development. Unfortunately, the respondent said he cannot say anything about the issue again more than what he has told the researcher already.

The non adoption of the new pension scheme by the government of Adamawa State however, is not in agreement with the views of some scholars like Kwaako et al (2007) and Olukemi (2013), cited in chapter two above, they maintained that the variegated mal-administrative practices and organizational weaknesses such as corruption, delay in the payment of pension, favouritism, nepotism, fraud in the payment of salaries, stoppage of the payment of



retirees' monthly pension etc can only be corrected through new reform. The scholars therefore suggested that when a system got deteriorated like this, the only way-out is to bring a new reform. Perhaps, this could inform the reason for the adoption of the new contributory pension scheme Act (2004) in Nigeria, which gave liberty for the pensioners to choose the manager and administrator of their pension.

#### **5.2.4 Test of Hypotheses**

Under this section as specified earlier in chapter three, chi-square was used in the test of the hypothesis postulated in chapter one. The validity of the hypothesis were tested by using data collected from the field and backed by the secondary sources as well as interview results and observation outcome.

In chapter one of this study, three null hypotheses were stated ( $H_0$ ) as guide for data collection and analysis by using one tail- test. The implication is that once the critical value is greater Null ( $H_0$ ) hypothesis, the null hypothesis is accepted, however, if the null hypothesis is greater than the critical or table value, the null hypothesis is rejected. However, in testing the hypothesis, only the data in summary tables were used, i.e. Tables, 5.8, 5.12 & 5.16 above.

#### **Test of Hypothesis I**

The  $H_0$  hypothesis states that delay in the payment of pensioners' retirement benefits has no effect on pensioners' welfare in Adamawa state.

To test this hypothesis, data in summary table 5.8 on delay above were used. In testing the hypothesis via the available data presented in table 5.8 above, the computer SPSS was used. The frequency tables below were produced by the computer SPSS for the individual questions in table 5.8. Each table 5.17, 5.18, 5.19, 5.20 and 5.21 contained likert five-point scale, observed frequency, expected frequency and the residual between observed frequencies and the expected frequency. Finally, Chi-square test in table 5.22 for the five frequency tables is produced by the

computer SPSS for the final result and decision taken. Test statistics table 5.22 contained chi-square test figure for each table above, the total chi-square figure, degree of freedom for each frequency table and the total degree of freedom, ASYMP sign and 95% confidence interval.

**Table 5.17: There is Delay in the payment of pensioners' pension and gratuity**

Scale	Observed N	Expected N	Residual
1	42	63.6	-21.6
2	36	63.6	-27.6
3	42	63.6	-21.6
4	77	63.6	13.4
5	121	63.6	57.4
Total	318		

**Sources:** Computer SPSS Out Put

**Table 5.18 Pension and Gratuity are not paid within two months after retirement**

Scale	Observed N	Expected N	Residual
1	58	63.6	-5.6
2	26	63.6	-37.6
3	40	63.6	-23.6
4	68	63.6	-4.4
5	126	63.6	62.4
Total	318		

**Source:** Computer SPSS output

**Table 5.19 the Delay is caused by poor administration, inefficiency and untrained personnel**

Scale	Observed N	Expected N	Residual
1	40	63.6	-23.6
2	40	63.6	-17.6
3	37	63.6	-26.6
4	65	63.6	1.4
5	130	63.6	66.4
Total	318		

**Source:** Computer SPSS output

**Table 5.20: Inability to afford three-Square Meal a Day and Drink Clean Water**

Scale	Observed N	Expected N	Residual
1	40	63.6	-23.6
2	39	63.6	-24.6
3	37	63.6	-26.6
4	51	63.6	-12.6
5	151	63.6	87.4
Total	318		

**Source;** Computer SPSS output

**Table 5.21: Inability to Access Health Facilities Because of the Delay in the Payment**

Scale	Observed N	Expected N	Residual
1	54	63.6	-9.6
2	58	63.6	-5.6
3	37	63.6	-26.6
4	59	63.6	-4.6
5	110	63.6	46.4
Total	318		

Source: Computer SPSS output

**Table 5.22: Chi-Square Test**

	There is delay	Not pay within two months	Caused by poor administration	Meal and clean water	Health facilities	Total
<b>Chi-Square</b>	81.277	93.006	94.107	1.520	47.252	317.162
<b>Df</b>	4	4	4	4	4	20
<b>Asymp sign</b>	000	000	000	000	000	000
<b>95% confidence</b>						

Source: Computer SPSS output

The level of significance used in testing the hypothesis is 0.05% as indicated in table 5.25 above.

And the degree of freedom is 20 as also shown in table 5.25 the calculated test figure or chi-square figure is 317.162, while the critical test figure is 31.40 as can be seen in appendix 6.

### Decision Rule

The decision rule states that if the calculated test figure or chi-square figure is less than the critical test figure the null (Ho) is accepted. However, if the calculated test figure or chi-square figure is greater than the critical test figure obtained from table, the Ho is rejected.

### Decision

In view of the above therefore, since the calculated or chi-square figure is 317.162 and the critical figure is 31.410, it shows that the chi-square figure is greater than the critical figure.

Thus, the Ho hypothesis which states that delay in the payment of pensioners' retirement benefits has no effect on pensioners' welfare in Adamawa state is out rightly rejected.

### **Test of Hypothesis II**

This hypothesis was stated in only null (Ho), which states that underpayment of pensioners' gratuity and pension entitlements does not affect the pensioners' welfare in Adamawa State. To test this hypothesis, the data in summary table 5.12on under payment above was used.

In testing the hypothesis through the data presented in table 5.12, the computer SPSS was used. The frequency tables below were produced by the computer SPSS for the individual questions in table 5.12 above. Each table 5.23, 5.24, 5.25, 5.26 and 5.27 contained likert five-point scales, observed frequency, expected frequency and the residuals between observed frequency and the expected frequency. Finally, test statistic table 5.28 for the five frequency tables were produced by the computer SPSS for the decision rule. Test statistical table 5.28 contained chi-square test figure for each frequency table, the total chi-square figure, degree of freedom (df), Asymp sign and 95% confidence interval. These are presented below.

**Table 5.23: There is Under Payment of Pension and Gratuity**

Scale	Observed N	Expected N	Residual
1	50	63.6	-3.6
2	60	63.6	-13.6
3	27	63.6	-36.6
4	68	63.6	-4.4
5	113	63.6	49.4
Total	318		

**Source:** Computer SPSS output

**Table 5.24: Personal Experience of Under Payment of Pension and Gratuity**

Scale	Observed N	Expected N	Residual
1	52	63.6	-11.6
2	39	63.6	-24.6
3	41	63.6	-22.6
4	75	63.6	16.4

5	111	63.6	47.4
Total	318		

Source: Computer SPSS output

**Table 5.25: The Under Payment is Caused by inefficiency and improper supervision**

Scale	Observed N	Expected N	Residual
1	79	63.6	15.4
2	26	63.6	-37.6
3	29	63.6	-34.6
4	65	63.6	1.4
5	114	63.6	55.4
Total	318		

Source: Computer SPSS output

**Table 5.26: The under payment affect your ability to Pay your Children's School Fees**

Scale	Observed N	Expected N	Residual
1	43	63.6	-20.6
2	27	63.6	-36.6
3	39	63.6	-24.6
4	77	63.6	13.4
5	132	63.6	68.4
Total	318		

Source: Computer SPSS output

**Table 5.27: You Cannot Wear Good Clothes because of the Under Payment of your Pension**

Scale	Observed N	Expected N	Residual
1	61	63.6	54
2	24	63.6	-29.6
3	40	63.6	-23.6
4	44	63.6	-19.6
5	141	63.6	77.4
Total	318		

Source: Computer SPSS output

**Table 5.28: Chi-Square Test**

	there is under payment	Personal experience of under payment	Caused by improper supervision	Unable to pay school fees	Unable to wear good clothes	Total
<b>Chi-Square</b>	62.849	57.031	93.069	1.136	1.341	215.426
<b>Df</b>	4	4	4	4	4	20
<b>ASYMP Sign</b>		000	000	000	000	000
<b>95%confident</b>						

<b>interval</b>						
-----------------	--	--	--	--	--	--

Source: Computer SPSS output

The level of significance used in testing this hypothesis is 95% as indicated in table 5.31 above (i.e. 0.05). And the degree of freedom (df) is 20 as also seen in the same table 5.31 above. The calculated test figure or chi- square value is 215.426 while the critical figure is 31.410 as can be seen in appendix 6.

### **Decision Rule**

The decision rule states that if chi-square figure is less than the critical figure, the Ho hypothesis is accepted. On the other hand however, if the chi-square figure is greater than the critical figure, the Ho hypothesis is rejected.

### **Decision**

In view of the above therefore, since chi- square value (215.426) is greater than the critical figure (31.410), the Null (Ho) hypothesis which stated that “under payment of pensioners’ gratuity and pension entitlement does not affect the pensioners’ welfare in Adamawa State is out rightly rejected. It means the under payment of pensioners’ pension and gratuity affects the pensioners in Adamawa State.

### **Test of Hypothesis III**

Like the previous ones, this hypothesis is in Null (Ho). It states that the stoppage of pensioners’ pension does not have effects on pensioners’ welfare in Adamawa state. To test this hypothesis therefore, the summary presented in table 5.16 on stoppage in payment above was used.

The data obtained in table 5.16 on stoppage of payment above were used to test hypothesis III. From this table, the computer SPSS was used to produce frequency tables 5.29, 5.30, 5.31, 5.32 and 5.33 representing the outcome of individual questions in table 5.16. Each frequency table of the five frequency tables below contains Likert five-point scale, observed

frequency, expected frequency and the residuals between observed and the expected frequency. Finally, the Chi-square test table 5.34 for the five frequencies table was produced by the computer SPSS for the final result and decision taken. The Test statistic Table 5.34 contained chi- square figure, degree of freedom, Asymp sign and 95% confidence interval.

**Table 5.29: There is Stoppage of the Payment of Pensioners' Monthly pension in Adamawa state**

Scale	Observed N	Expected N	Residual
1	53	63.6	-10.6
2	45	63.6	-18.6
3	31	63.6	-32.6
4	70	63.6	6.6
5	119	63.6	55.4
Total	318		

**Source:** Computer SPSS output

**Table 5.30: Personal Experience of the Stoppage of the Payment of Monthly Pension**

Scale	Observed N	Expected N	Residual
1	53	63.6	-10.6
2	41	63.6	-22.6
3	38	63.6	-25.6
4	70	63.6	6.4
5	116	63.6	25.4
Total	133		

**Source:** Computer SPSS output

**Table 5.31: Stoppage of the payment of the Monthly Pension is deliberate and improper verification**

Scale	Observed N	Expected N	Residual
1	40	63.6	-23.6
2	40	63.6	-23.6
3	31	63.6	-32.6
4	78	63.6	14.4
5	128	63.6	65.4
Total	318		

**Source:** Computer SPSS output

**Table 5.32: Unable to Own a House or Shelter**

Scale	Observed N	Expected N	Residual
1	57	63.6	-6.6
2	50	63.6	-13.6
3	49	63.6	-14.6
4	66	63.6	2.4
5	96	63.6	32.4
Total	318		

**Source:** Computer SPSS output

**Table 5.33: stoppage of the payment made pensioners Looking Unhealthy, Unhappy and frustrated**

Likert scale	Observed F/N	Expected F/N	Residual
1	57	63.6	-6.6
2	40	63.6	-23.6
3	38	63.6	-25.6
4	52	63.6	-11.6
5	131	63.6	67.4
Total	318		

**Source:** Computer SPSS output

**Table 5.34: Chi-Square Test**

	There is stoppage of the payment	Personal experience	Stoppage is deliberate	Unable to own a house	Unhealthy looking	Total
<b>Chi-square</b>	72.818	63.918	23.541	1.047	93.289	254.613
<b>Df</b>	4	4	4	4	4	20
<b>ASYMP Sign</b>	000	000	000	000	000	000
<b>95% confident interval</b>						

**Source:** Computer SPSS output

The level of significant used in testing this hypothesis is 0.05, and degree of freedom (df) is 20, while the calculated test figure is 254.613, and the critical figure is 31.410 as can be seen in appendix 6.

### Decision Rule



The decision rule states that once the chi-square figure is less than the critical figure, then the Null (Ho) hypothesis is accepted, however, if the chi-square or calculated figure is greater than the critical figure, the Null (Ho) hypothesis is rejected.

### **Decision**

Following the rule for decision therefore, since the calculated or chi-square figure (254.613) is greater than the critical figure (31.410), the Null (Ho) hypothesis which states that stoppage of the payment of pensioners' pension does not have effect on pensioners' welfare in Adamawa state is rejected. This shows that the stoppage of the payment of the pensioners' monthly pension have effects on pensioners in Adamawa State.

### **5.2.5 Discussion**

The test of hypothesis one shows that delay in the payment of pensioners' retirement benefits affects pensioners' welfare in Adamawa State. This position is in accord with Chukwunye et al (2010)'s empirical study on "staff welfare and productivity" which focused on effects of delay in the payment of worker's salaries. It was revealed by 67% of the respondents that delay in the payment of worker's salaries has various effects on the workers. In this study, 30.1% as majority attested the fact that there is delay in the payment of the retirees. Staff of the pension board conceded to that fact. This can further be supported by the data in tables 4.2, 4.3 and 4.8. In view of the above, 40.9% of the respondents attested that the delay in the payment of pension and gratuity is caused by poor administration, inefficient and inadequate trained personnel. Moreover, the personal observation of the researcher during the interview session revealed that some external forces such as political interference in the affairs of the pension Board by dictating to the management of the Board what will favour their interests and the existence of corruption where it was witnessed and heard by the researcher how pension staff

was asking for fleecing money from a pensioner are other causal factors for the delay in the payment of retirement benefits in the pension board. As a result of the above, 47.5% and 34.6% of the respondents respectively affirmed that the effects of delay on their welfare included their inability to eat three square meal of balanced diet a day and drink clean water, and difficulties in accessing health care facilities. These revelations therefore have contravened “*what the contractual agreement is supposed to show*” as in the 5<sup>th</sup> element of social contract theory used in the study. The contract is supposed to show that pensioners are not suffering from the delay, but rather enjoy good welfare as the fruit of their contract (section 5 of the contract law) with the Adamawa State government having fulfilled their own obligatory part of the contract long ago.

Similarly, the test of hypothesis two shows that the under payment of pension and gratuity of pensioners in Adamawa State affect the pensioners’ welfare. In support of this finding, secondary data displayed in tables 4.8 is an important back up data, where out of the total complaints received by PCC in Adamawa state from the pensioners, 16.1% are on under payment of gratuity and 18.4% are on under payment of pension. It also agreed with the empirical study on “Corrupt Practices and Economic Development in Nigeria by Rotimi et al (2013), which revealed that underpayment of another person affects his welfare. In this study, 41.5% and 44.3% respectively which constituted the majority respondents attested that they were affected by the under payment of their pension and gratuity in a way that they cannot be able to wear good clothes and their inability to pay school fees for their children among others. It was also discovered that the under payment of the retirees their pension and gratuity is engendered by inadequate trained personnel, poor attitudes of the pension staff, improper supervision and corruption. This attitudes conformed with the work of Peter (2014), where he portrayed that attitudes (poor attitudes) of workers as a great obstacle to good administration, and also negate

*“the reasoning that lead to the contractual agreement”* as the fourth element of social contract theory used in this study. The study also revealed that in the process of computation of pensioners’ entitlements, mistakes were used to be made by the pension officials as they confessed during the interview session, which slashes down what pensioners were, suppose to collect officially. However, it was also revealed that some of the complaints of under payment by the pensioners in Adamawa State were not true and genuine. It was due to the ignorance of some of them to distinguish between the various salary scales used in the state and which one is applicable. This stand is justified by the data in table 4.4 number 6, where Alahaji A.T.A complaint about under payment of his pension, but it was discovered by the PCC that his pension was paid correctly.

The test of hypothesis three revealed that the stoppage of the payment of the pensioners’ monthly pension affects pensioners’ welfare in Adamawa State. About 40.6% and 41.2% respectively of respondents which constituted the majority said that they were seriously affected by the stoppage of the payment of their monthly pension in Adamawa State Pension Board, because they could not afford to build their own personal houses, and always in quarrel with their landlords since they cannot always afford to pay their rent charges as at when due, and this made them unhappy, unhealthy and not prosperous. This claim can be backed up by the data in table 4.6 and table 4.8 respectively. This does not square with Bent’s (2012) empirical study on “Occupational and Workers’ Retirement Welfare in Developing Countries”, where his study revealed the social indicators of workers and retirees’ welfare to include satisfaction of payment, health, and belongingness. Others include essential needs of individual workers, retirees and their families, enlarged capabilities such as children’s education, housing and charitable activities. The study concluded that the essence of occupational welfare is to provide workers

and retirees an economic satisfaction, psychological, sociological and even philosophical relief or contentment. However, 30.2% of the respondents claimed that stoppage of the payment of their monthly pension is caused by improper verification of their documents during screenings and poor documentation of the outcome after the screening exercise, while majority of the interviewee claimed that the stoppage used to occur as the aftermath of the screening exercise normally organized by the Board, the screenings always meant to checkmate the syndicated pensioners and the unfaithful next of kin of the deceased pensioners who continually collects the pension of their deceased pensioners' relatives. Unfortunately, as it used to be, many retirees do not get the information on the fixed date for the screening, subsequently in the process, many pensioners will get their pension stopped on the assumption that they have died. Although, the researcher was disappointed when he sought to know that retirees who were not present at verification exercises organised by ADSPB as a result of communication gap between the Board and retirees were denied full payment of their retirement benefit instead they were paid installmentally. The questions that the researcher asked now is, why installment payment? Where is the actual pension (the money) that was withheld? Why can't they just give them the actual money? There is only one answer to these questions. Is just because there is spirit of corruption in the system which outweighed moral conduct and do not allow fair play. This is a confirmation of Durkheim's (1893) "moral deregulation" in his anomie theory cited in chapter two above. It also justified the stand of Rose-Ackerman (2008) where she said that some actions of the public officers sometimes are done deliberately to induce corrupt gainful interest.

### **5.3 Major Findings**

Based on the secondary data, and as attested by the interviewee, and as observed, including the hypotheses tested, the following findings were documented.

1. There is delay in the payment of retirement benefits in Adamawa State Pension Board caused by inadequate funding, political interference and corruption, which affects pensioners' welfare to the extent that they cannot afford to eat three square meals in a day and drink clean water.
2. It was also revealed that there is underpayment of gratuity and pension entitlement in Adamawa State Pension Board, masterminded by inadequate trained personnel, poor attitudes of the pension staff, inadequate supervision of the activities of the subordinates staff and corruption which affects pensioners' welfare to the extent that they cannot access and afford health facilities and inability to pay their children's school fees.
3. It was further revealed that there is stoppage of the payment of the pensioners' benefits in Adamawa State Pension Board as a result of poor documentation of the outcome of the screening and absenteeism of the retiree at the screening due to lack of information about the screening exercise. This affects pensioners' welfare through their inability to build their own houses and cannot afford to wear good and functional clothes and be change it over time.

## **CHAPTER SIX**

### **SUMMARY, CONCLUSIONS AND RECOMMENDATIONS**

#### **6.1 Introduction**

This chapter summarized the entire work from chapter one to six. It include conclusion reached on the basis of the hypotheses tested and the recommendation proffered or offered based on the findings of this study.

## 6.2 Summary

The administration of pension scheme is not a contemporary phenomenal or practice. Memorably, it can be traced back to 13BC. The earliest record of payment of public sector pension dates back to the Roman Empire times when in 13BC, Emperor Augustus Caesar paid pension to the Military and loyal civil servants to boost their welfare.

In Nigeria, Pension schemes were introduced into the public service in the early years of the 19<sup>th</sup> Century as evidenced in Pension Proclamation No. 14 of 1901 of the Northern Nigeria Protectorate and the Pension Ordinance No. 4 of 1902 of the Colony of Lagos and pension Ordinance 1951. Until 2004, there were a myriad of enactments that regulated the administration of pension schemes in Nigeria (Balogun, 2006). The general pension scheme for civil servants was financed from government general revenue on a pay-as-you-go basis is the last scheme before it was toppled by the 2004 contributory act. This scheme later suffered numerous problems between January 1976 and June 2004.

Adamawa State as a component unit of Nigeria federation is not free from such menace, the Pension Board suffers the same problem of the Pay As You Go scheme such as delay, under payment, stoppage of the payment of retirement benefits etc, existing up date there. This study therefore examined the “Administration of Pension Scheme and pensioners’ welfare in Adamawa State pension Board. The study specifically determined causes of delay, to what extent underpayment and stoppage of the payment of pensioners’ retirement benefits in Adamawa State Pension Board affect pensioners’ welfare.

Three null hypotheses were postulated for the study. The significance of this study included the gaps of the previous studies it filled up. It also serves as a literature for future researchers. The limitation of the study has been recognized. The study covered the period from

2004-2014 and was limited to Administration of Pension Scheme and pensioners welfare in Adamawa State pension Board. All the concepts used in the study have operationally defined as it were used in the study. Such terms like Administration of Pension Scheme, pensioner's welfare, delay, under payment and stoppage of payment, etc were defined authoritatively and operationally.

The literatures related to the study were reviewed. These include literature related to Administration of Pension Scheme and pensioner's welfare, delay in payment, under payment, stoppage of payment etc. Social contract theory by Thomas Hobbes (1651) and Rauscher (1762) were used as a framework for the study.

The research design used for the study was survey research. Questionnaire instrument was used to source data from pensioners, while observation and interview method of data collections were used on the staff of Pension Board to sourced data. Observation was used to complement data from questionnaire and interview sources as well as content analysis of data from PCC's official document. The total population for the study was 6,827 both the pensioners and staff of the Board, Yamane formula was used to determined sample size for the population using 5% level of significance. The total of 318 questionnaire were retrieved from pensioner respondents, while six (6) officers from the Adamawa Sate Pension Board were interviewed, backed by observation during the interview. Stratified random sampling technique was adopted. Chi-square method of data analysis was used to test the hypotheses in chapter five. Both primary and secondary data sourced were digested and presented in tables and frequencies.

The relevant provisions for the activities of the Board were discussed. The background of the Pension Board was also discussed. The members of the Board, powers and functions of the pension Board were discussed. Benefits payable to pensioners, the evolution of budgetary

pension scheme in the state, and funding of the Board were highlighted. The computations of the retirement benefits were discussed in tables. The organizational structure of the Board was presented. Functions of the Board Members, Admin and finance departments were briefly discussed. The cases or charges against the Board before the PCC in Adamawa State were presented in tables.

Data obtained from the field representing the views of the respondents (pensioners) from the three sampled areas Gaye, Yola north and Yola south local governments were presented in tables and analyzed. The data sourced were both on the bio-data of the sampled respondents and on the variables used in the study. The views of the respondents were backed with some relevant secondary data from chapter two, theory used in the study, interview result and personal observation of the researcher during the interview.

From the data presented and analyzed, the study revealed that there is delay in the payment of pensioners' welfare. The delay affects the feeding ability of the pensioners and their ability to access health facilities.

The underpayment and stoppage of the payment of pensioners' pension were found to be real and are partly masterminded by inefficiency of the personnel, poor attitudes and improper supervision. Others include deliberate act, lazier-fare leadership and improper verification of documents during the screenings.

### **6.3 Conclusion**

Based on the data obtained, presented and analyzed, and the hypotheses tested in chapter five, the study concludes that there are problems in the administration of pension scheme in Adamawa State Pension Board. It is seen by way of the delay payment, underpayment and stoppage of the payment of pensioners' pension. These practices affects the pensioners' welfare



in a way that they find it too difficult to feed, access health facilities, pay children's school fees etc. Political interference, inadequate funding, and ignorance of the pensioners to know their salaries scales are some of the existing problems in the board. The test of hypothesis one indicated that there is delay in the payment of retirement benefits of the pensioners in the state causes great effects on the pensioners' welfare in the State. The test result of hypothesis two also specified that under payment of pensioners' gratuity and pension entitlement affects the pensioners' welfare in Adamawa State. The result obtained from the test of the third hypothesis indicated that stoppage of the payment of pensioners' pensions have effects on pensioners' welfare in Adamawa State as listed above.

Considering the available data and the elements of the theoretical framework used for the study therefore, as; *the nature of the contractual Act, what the contract suppose to show, the reasoning that lead to the contractual agreement* have not been met by the Adamawa State government (Pension Board) in her contractual term with the pensioners of the State.

#### **6.4 Recommendations**

In respect of the findings made above, the following recommendations were proffered.

1. In order to liberate the pensioners in Adamawa State from their inability to eat three square meals a day and drink clean water, access and afford health facilities and inability to pay their children's school fees, build their own houses, wear good and functional clothes and change it over time due to the delay in the payment, under payment of gratuity and pension entitlement and the stoppage in the payment of their monthly pension, the government should make a policy for the payment of severance benefit to the affected pensioners, including newly retired civil servants to bridge the gaps, or they

should continue to collect their salary pending when their gratuity is paid fully and have started to collect their monthly pension correctly, regularly and continuously.

2. In order to tackle the problem of delay in the payment of retirement benefits in Adamawa State pension board, government should be more committed to the funding of the board and there should be none political interference in the activities of the pension board.
3. In order to mitigate the problem of under payment of pension and gratuity in Adamawa State pension board, the personnel should be given adequate training in the relevant areas including moral training to inculcate morale attitudes in the activities of the personnel, and there should be more emphasis on the supervision of the activities of the subordinate staff by their superior officers.
4. In order to arrest the problem of stoppage in the payment of pensioners' monthly pension in Adamawa State pension board, effective and proper documentation skill should be inculcated by the staff, and effective communication network should be establish between the retirees and the pension board, such that whenever the need for screening arises, all retirees will be communicated effectively.
5. Since corruption is revealed to be one of the factors fanning the embers of delay in the payment and under payment of retirement benefits of pensioners in Adamawa State pension Board, transparency and accountability should be ensured in the activities of the entire staff of the pension board. This can be achieved by liaising with anti-corruption bodies such as EFCC, ICPC, etc to prosecute any body found guilty of corrupt action by commission or omission.

6. Finally, and more generally, since Adamawa State is still suffering the problems of budgetary or Pay As You Go Pension Scheme, the State should Adopt the new contributory pension Act 2004, which is relatively perceived to have lesser evil to the former.

## **6.5 Further Study**

Further research is suggested on the effectiveness of Adamawa State Pension Board in the administration of pension benefits.

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## **APPENDIX 1**

Department of Public Administration

Faculty of Administration

Ahmadu Bello University

Zaria

Dear respondent,

**INTRODUCTORY LETTER TO QUESTIONNAIRE ON ADMINISTRATION OF  
PENSION SCHEME AND PENSIONERS' WELFARE**

The researcher, a postgraduate student of the Department of Public Administration, Ahmadu Bello University, Zaria is currently carrying out a research on the topic "Administration of Pension Scheme and Pensioners' Welfare: A Study of Adamawa State Pension Board".

The research forms an essential part of my work towards the award of Master of Science Degree in Public Administration (M.Sc).

This questionnaire is therefore only meant to test the stated hypotheses to obtain result for analysis of the research topic. Information given will be solely used for the purpose of this research and will be treated confidentially. Please tick appropriately the options in the Questionnaire and comment where applicable.

Thank you for the anticipated cooperation.

Yours faithfully,

Bitrus Wilson Pukuma.

**APPENDIX 2**

**SECTION A**

## PERSONAL DATA OF PENSIONNARE

Please tick appropriate as [ ] in your answer to the following question:

1. Sex of respondent

A. – male [ ]

B. –female [ ]

2. Age of the respondent before retirement

A-21-30 [ ] B.31-40 [ ]

C.41-50 [ ] D.51-60 [ ]

3. Highest educational qualification of the respondent.

A. First school leaving certificate [ ] B. WASC/GCE/ SSCE [ ]

C. NCE/OND/ND [ ] D. Degree/HND [ ]

E Post graduate [ ] F. Others; specify-----

4 Marital status

A. Single [ ] B Married [ ]

C. Divorced [ ] D Separated [ ]

5 Yes of service before retirement

A. 1- 10 [ ] B. 11- 20 [ ]

C. 21- 30 [ ] D. 31- 40 [ ]

## APPENDIX 3

### Section B

## QUESTIONNAIRE INSTRUMENT FOR RESPONDENTS IN GANYE, YOLA NORTH AND YOLA SOUTH LOCAL GOVERNMENTS.



**Instructions;** under each item there are five questions. Against each question, there is five points Likert scale options which numbers are assigned to determine the level of your agreement and disagreement to each question. Namely; A- Strongly Agree (5), B- Agree (4), C- undecided (3), D- Disagree (2) and E- Strongly Disagree (1)

**A-Delay in the payment of Pensioners' Retirement Benefits**

- 1 The payment of pension and gratuity are delaying in Adamawa State Pension Board?  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree       e- Strongly disagree
2. Your pension and gratuity were not paid within two months after your retirement as provided by the pension law of the State?  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree       e- Strongly disagree
- 3-the delay in the payment of your pension and gratuity was caused by poor administration, inefficient and inadequate trained pernnel.  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree       e- Strongly disagree
4. You cannot eat three square meal of balanced diet a day and drink clean water because of the delay in the payment of your pension and gratuity.  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree       e- Strongly disagree
5. You cannot access health facilities for you and your family because of the delay in the payment of your pension and gratuity.  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree       e- Strongly disagree

**B- Under payment of Pensioners' Pension and Gratuity.**

6. Pensioners are under paid their pension and gratuity in Adamawa State Pension Board.  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree       e- Strongly disagree
7. You have personal experience of under payment of your Pension and Gratuity.  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree       e- Strongly disagree
8. The under payment of your pension and gratuity is caused by inefficiency of the personnel, poor attitudes and improper supervision.  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree       e- Strongly disagree
9. The under payment of your Pension and Gratuity affect your ability to pay your children's school fees.  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree       e- Strongly disagree
10. You cannot be able to wear good clothes because of the under payment of your pension and gratuity.  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree       e- Strongly disagree

**C- Stoppage of the payment of Pensioners' Pension**

11. There is stoppage of the payment of your monthly in Adamawa State pension Board.  
 a- Strongly agree       b -Agree       c- undecided       d- Disagree

e- Strongly disagree

12. You have personally experienced stoppage of the payment of your monthly pension.

a- Strongly agree  b -Agree  c- undecided  d- Disagree

e- Strongly disagree

13. the stoppage of the payment of pensioner' monthly pension is caused by lazier-fare leadership, deliberate acts and improper verification of the documents during the screenings.

a- Strongly agree  b -Agree  c- undecided  d- Disagree

e- Strongly disagree

14. The stoppage of the payment your monthly pension hindered from getting your own house and always quarreling with your landlords for your inability to pay rent charges.

a- Strongly agree  b -Agree  c- undecided  d- Disagree

e- Strongly disagree

15. The stoppage of the payment of the pensioners' pension made pensioners looking unhealthier, unhappy not prosperous and frustrated.

a- Strongly agree  b -Agree  c- undecided  d- Disagree

e- Strongly disagr

#### **APPENDIX 4**

### **INTERVIEW SCHEDULE FOR THE STAFF OF ADAMAWA STATE PENSION BOARD**

1. Sir/madam, due to the provision of Adamawa State Pension law (2000) section 8 (1), the procession of retirement benefits of a retiring civil servant of the State should be completed within one month to the official retirement date of the officer concerned to avoid financial

handicap after retirement, have you been able to meet up with this provision? If no, what do you think is responsible for the delay beyond this provision?

2. Can you say the board has effective and well trained personnel who proficiently handle the administration of the retirement benefits of pensioners?

3. Have you ever noticed if there is any problem of under payment of pensioner's benefits, and perhaps received complaints from pensioners on it? If yes, what do you think is responsible for such under payment?

4. Has the Board ever recorded any case stoppage of payment of pensioners' pension in any way? If yes, what do you think is the cause for the stoppage?

5. sir/madam, how will you react when you are told that the administration of retirees' pension and gratuity in Adamawa State Pension Board is associated with poor administration, inefficiency and inadequate trained personnel as perceived in the area of delay in payment, under payment and stoppage of the payment of retirement benefits of the retirees?

6. sir/madam, why is it that Adamawa State is yet to adopt the new contributory pension scheme act (2004) which is regarded as a solution to the inherent problems of the budgetary or Pay As You Go (PAYG) pension scheme you are still practicing?

## APPENDIX 5

**Table 3.2: Profiles of the interviewee Respondents from ADSPB**

S/N0	Rank	Date	Time
1	Permanent secretary	Tuesday 9 <sup>th</sup> Dec.2014	9:00-10:15am
2	Director Acc Dept	Friday 12 <sup>th</sup> Dec.2014	11:12-11:49am
3	Director Admin Dept	Wednesday 10 <sup>th</sup> Dec.2014	1:09-1:43pm
4	Internal Auditor	Monday 15 <sup>th</sup> Dec. 2014	10: 18-11:03am
5	The Board secretary	Wednesday 17 <sup>th</sup> Dec.2014	9:41-10:37am
6	Staff Officer	Wednesday 17 <sup>th</sup> Dec.2014	1:23-2:09pm

Source: Researcher's field survey, 2014

## APPENDIX 6

### Checklist for Observation in the Pension Board

1-To observe how the retirees do interacts with the pension staff over the issues of the payment of the pensioners' gratuity and pension entitlement in the board.

2-To observe whether there are other external forces attributed to the irregularities in the payment of pension and gratuities of pensioners in Adamawa State Pension Board.

## **APPENDIX 7**

Table C: Critical values of the  $\chi^2$ -distribution.

V	$\alpha$							
	0.995	0.99	0.975	0.95	0.05	0.025	0.01	0.005
1	0.004393	0.03157	0.03982	0.02393	3.841	5.024	6.635	7.879
2	0.0100	0.0201	0.0506	0.103	5.991	7.378	9.210	10.597
3	0.0717	0.115	0.216	0.352	7.815	9.348	11.345	12.838
4	0.207	0.297	0.484	0.711	9.488	11.143	13.277	14.860
5	0.412	0.554	0.831	1.145	11.070	12.832	15.086	16.750
6	0.676	0.872	1.237	1.635	12.592	14.449	16.812	18.548
7	0.989	1.239	1.690	2.167	14.067	16.013	18.475	20.278
8	1.344	1.646	2.180	2.733	15.507	17.535	20.090	21.955
9	1.735	2.088	2.700	3.325	16.919	19.023	21.666	23.589
10	2.156	2.558	3.247	3.940	18.307	20.483	23.209	25.188
11	2.603	3.053	3.816	4.575	19.675	21.920	24.725	26.757
12	3.074	3.571	4.404	5.226	21.026	23.337	26.217	28.300
13	3.565	4.107	5.009	5.892	22.362	24.736	27.688	29.819
14	4.075	4.660	5.629	6.571	23.685	26.119	29.141	31.319
15	4.601	5.229	6.262	7.261	24.996	27.488	30.578	32.801
16	5.142	5.812	6.908	7.962	26.296	28.845	32.000	34.267
17	5.697	6.408	7.564	8.672	27.587	30.191	33.409	35.718
18	6.265	7.015	8.231	9.390	28.869	31.526	34.805	37.156
19	6.844	7.633	8.907	10.117	30.144	32.852	36.191	38.582
20	7.434	8.260	9.591	10.851	31.410	34.170	37.566	39.997
21	8.034	8.897	10.283	11.591	32.671	35.479	38.932	41.401
22	8.643	9.542	10.982	12.338	33.924	36.781	40.289	42.796
23	9.260	10.196	11.689	13.091	35.172	38.076	41.638	44.181
24	9.886	10.856	12.401	13.848	36.415	39.364	42.980	45.558
25	10.520	11.524	13.120	14.611	37.652	40.646	44.314	46.928
26	11.160	12.198	13.844	15.379	38.885	41.923	45.642	48.290
27	11.808	12.879	14.573	16.151	40.113	43.194	46.963	49.645
28	12.461	13.565	15.308	16.928	41.337	44.461	48.278	50.993
29	13.121	14.256	16.047	17.708	42.557	45.722	49.588	52.336
30	13.787	14.953	16.791	18.493	43.773	46.979	50.892	53.672