ASSESSMENT OF THE EFFECTS OF THE IMPLEMENTATION OF CONTRIBUTORY PENSION SCHEME ON RETIREMENT BENEFITS IN KANO STATE: A STUDY OF KANO STATE PENSION FUND TRUSTEES

BY

Bashir YUSUF

MSC/ADMIN/8019/2013-2014

A DISSERTATION SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES, AHMADU BELLO UNIVERSITY, ZARIA INPARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF MASTER OF SCIENCE DEGREE (M.Sc) IN PUBLIC ADMINISTRATION

DEPARTMENT OF PUBLIC ADMINISTRATION,
FACULTY OF ADMINISTRATION,
AHMADU BELLO UNIVERSITY,
ZARIA, NIGERIA

NOVEMBER, 2016

DECLARATION

I declare that the work in this Dissertation entitled "Assessment of the Effects of the Implementation of Contributory Pension Scheme on Retirement Benefits in Kano State: A study of Kano State Pension Fund Trustees" 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.

Bashir YUSUF **……** **……**
Sign Date

CERTIFICATION

This dissertation entitled "ASSESSMENT OF THE EFFECTS OF THE IMPLEMENTATION OF CONTRIBUTORY PENSION SCHEME ON RETIREMENT BENEFITS IN KANO STATE; A STUDY OF KANO STATE PENSION FUND TRUSTEES" by Bashir YUSUF meets the regulations governing the award of Master of Science Degree (M.Sc) in Public Administration of the Ahmadu Bello University, and is approved for its contribution to knowledge and literary presentation.

Dr. Hamza A. Yusuf Chairman, Supervisory Committee	…… Sign	…… Date
Dr. Silas F. Anyio Member, Supervisory Committee	…… Sign	…… Date
Dr. Hamza A. Yusuf Head of Department	…….. Sign	…… Date
Prof. Kabir M. Bala Dean, School of Postgraduate Studies	…….. Sign	…… Date

DEDICATION

This Dissertation is dedicated to my lovely father late Alhaji Yusuf Aliyu Makarya may his sole rest in perfect peace and to my lovely mother Malama Asma'u Khalil may Allah Subhanahu Wata'ala grant them Janntul-Firdausil A'ala.

ACKNOWLEDGEMENTS

All praises be to Allah the most gracious the most merciful who spared my life and gave me the wisdom and inspiration to successfully undergo this programme. May his infinite mercy be bestowed upon his prophet Muhammad (Peace Be Upon Him) and to his entire family and his companions and those that followed their footstep to the day of judgment (Amin).

My profound appreciation goes to my supervisors Dr. H.A. Yusuf (Chairman supervisory Committee), Dr. S. F. Anyio (Member Supervisory Committee).This dissertation would have never been what it is today without their guidance, patience, advice, support, suggestions, time, assistance, criticism and encouragement. I remain indebted to them, May Allah bestow you with good health and prosperity in this life, thank you very much. I equally will like to appreciate the efforts of Dr. Musa Idris, Dr. Lawal Saleh, Dr. Shehu Ja'afar, and Dr. Faruk Abubakar and Dr. Salisu Umar of the Department of Business Administration, for their contributions at all the levels of this work. This also goes to the entire lecturers in the Department of Public Administration, Ahmadu Bello University Zaria.

Beyond the academia, my sincere appreciation, respect and gratitude go to my father, Alhaji Yusuf Aliyu Makarya for his fatherly love, advice, guidance and assistance may his soul rest in perfect peace and may Allah Subhanahu Wata'ala grant him Jannatul-Firdausil A'ala. The same goes to my lovely mother Malama Asma'u Khalil makarya may Allah be pleased with her, Amin. I must also express my heartfelt appreciation to the entire members of my family particularly my wife Fatima Ibrahim, my children Jamila Bashir Yusuf, Asma'u Bashir Yusuf, Abubakar Bashir Yusuf (Doctor), Yusuf Bashir Yusuf (Professor) and Maryam Bashir Yusuf, my brothers Abdullahi Yusuf Makarya, Nasiru Yusuf Makarya, Salisu Yusuf Makarya (may his soul rest in perfect peace), Ashiru Yusuf, Umaru Yusuf, Nura Yusuf, Usman Yusuf, Mas'ud

Yusuf, Abdulhadi Yusuf and Mustapha Yusuf as well as my sisters Fatima Yusuf, Khadija Yusuf, Lauratu Yusuf, Halima Yusuf, Hafsatu Yusuf, Sa'adatu Yusuf, Hauwa'u Yusuf and Rahmatu Yusuf may Allah (SWA) bless them all.

This acknowledgement will remain incomplete without expressing my gratitude and appreciation to Professor Shehu Dalhatu of political Science Department Bayaro University Kano, Dr. Ashiru Aminu Bakafushi of the Department of Biology, College of Art Science and Remedial Studies, Kano and Dr. Isah Ado Abubakar (Balarabe) of the Department of Education, Bayaro University Kano, Dr. Hussaini Peni Federal College of Education (FCE) Bichi, Malam Sani Shehu, of school of management studies, Kano State Polytechnic, Kano, for their encouragement, guidance and support. The same goes to the Education Secretary Ajingi Local Government Education Authority Alhaji Nasiru Adamu Wali and the entire staff of Ajingi LGEA.

I owe a duty to thank the members of staff Kano state pension fund trustees particularly Alhaji Sani Gabasawa (chairman) Abdullahi Bello Director PRS, ALhaji Musa Namadi Karefa Director pension state department, Alhaji Sani Pani (DAGS), Alhaji Abba Hassan former Act. Staff Officer, Suleman Abdullahi Dederi (PRO), Alhaji Balabe Gwarzo President Nigerian Union of Pensioners Kano State Chapter and my entire friends and well wishers particularly Alhaji Sabi'u Shuaibu muhammad (DAGS) Kano State Bureau of Statistics, Ibrahin isma'il (HM) Kawo Nomadic Primary school, Nassarawa LGEA, Kano, Muhammad Tahir Kawo and Alhaji Isyaku Gambis Kawo may Allah bless them all.

TABLE OF CONTENTS

Title Page……i

Declaration ……...ii

Certification ……iii

Dedication ……iv

Acknowledgements ……..v

Table of Contents ……..vii

List of Tables ……..xi

List of Figures ……..xiii

List of Appendices ……xiv

List of abbreviations ……xv

Abstract ……..xvi

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study……..……1

1.2 Statement of the Research Problem……..……..6

1.3 Research Questions..... ……...8

1.4 Objectives of the Study……8

1.3 Hypotheses……9

1.4 Significance of the Study……..9

1.7 Scope and Limitations of the Study ……...11

1.8 Definition of Relevant Concepts ……..……...13

1.9 Structural Organisation of the Study ……...16.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction……...18

2.2 Literature Review……..18

2.2.1 The Concept of Pension ……18

2.2.1.1 Pension Schemes ……..24

2.2.1.2 Pension Reforms ……..29

2.2.2 The Concept of Retirement……....31

2.2.3 The Concept of Implementation ……..35

2.2.4 The Concept of Compliance ……38

2.2.5 Review of Related Empirical Studies ……..39

2.3 Theoretical Framework ……45

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction ……..53

3.2 Research Design……....53

3.3 Population of the Study ……..…54

3.4 Sample Size ….....55

3.5 Sampling Technique ……..…56

3.6 Sources of Data ……..57

3.6.1 Primary Sources of Data ……..57

3.6.2 Secondary Source of Data ……...60

3.7 Methods of Data Analysis ……60

CHAPTER FOUR

HISTORY, STRUCTURE, FUNCTIONS AND OPERATIONAL PATTERN OF KANO STATE PENSION FUND TRUSTEES

4.1 Historical Background of Kano State Pension Fund Trustees ……...62

4.2 Elements of CPS in Kano State ……..……...66

4.2.1 Computation of Benefits under Kano State CPS …….....67

4.3 Composition of the Trustees …….…….....69

4, 3.1 Functions of the Trustees ……..……70

4.4 Structure of the PFT …….…….....72

4.5 Operational Functions of the PFT …….……75

4.6 Achievements of the PFT ……77

4.7 Challenges of PFT ……...78

CHAPTER FIVE

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

5.1 Introduction..... ……....80

5.1.1 Rate of Questionnaires Returns ……80

5.2 Data Presentation on Hypothesis One…….……...81

5.3 Data Presentation on Hypothesis Two..... ……...86

5.4 Data Presentation on Hypothesis Three..... ……89

5.5 Test of Hypotheses ...…….…….….97

5.5.1 Test of Hypothesis One …….……...97

5.5.2 Test of Hypothesis Two ……..…….99

5.5.3 Test of Hypothesis Three ……..….……101

5.6 Discussion of Major Findings ……..…….…….……..102

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction..... …….....107

6.2 Summary..... …….107

6.3 Conclusion..... ……108

6.4 Recommendations..... ……...109

References 111

Appendices.....119

LIST OF TABLES

Table 2.1 Differences Between DB and DC Schemes

Table 3.1 Population of the Study

Table 3.2 Sample Size of the Study

Table 5.1 Summary of Responses to Questionnaires Administered

Table 5.2 MDAs Remittance of Mandatory Contributions to PFT

Table 5.3 MDAs Submit Files of Potential Retirees to the PFTs

Table 5.4 Effects of Compliance with the CPS Law on Payment of Retirement Benefits

Table 5.5 Effects of Funding of CPS on the Payment of Retirement Benefits

Table 5.6 Adequacy of 25% of the Workers Monthly Emoluments for financing the Scheme

Table 5.7 Utilisation of Returns from Invested Surplus Pension Funds for Financing CPS

Table 5.8 Enrollment of Potential Retirees into the Pension Payroll

Table 5.9 Payment of Monthly Pensions on or before 30th of every Month

Table 5.10 Implementation of CPS has improved Timely Payment of Retirement Benefits

Table 5.11 Pensioners' Responses on the Enrolment of Retirees into Pension Payroll

Table 5.12 Pensioners' Responses on the Timely Payment of Gratuities

Table 5.13 Pensioners' Responses on the Timely Payment of Pensioners

Table 5.14 Pensioners' Responses on the Timely Payment of Death Benefits

Table 5.15 Pensioners' Responses on the Implementation of CPS and Timely Payment of Retirement Benefits

Table 5.16 Regression Model Summary on Hypothesis One

Table 5.17 Regression Coefficients on hypothesis One

Table 5.18 Regression ANOVA on Hypothesis One

Table 5.19 Regression Model Summary on Hypothesis Two

Table 5.20 Regression Coefficients on Hypothesis Two

Table 5.21 Regression ANOVA on Hypothesis Two

Table 5.22 Regression Model Summary on Hypothesis Three

Table 5.23 Regression ANOVA on Hypothesis Three

Table 5.24 Regression Coefficients on Hypothesis Three

LIST OF FIGURES

Figure 2.1 David Easton Systems Analysis

Figure 2.1 Application of Systems Theory to the Study.

Figure 4.1 Organisational Structures of Kano State Pension Fund Trustees

LIST OF APPENDICES

1. Appendix 1 Questionnaire For Staff Respondents
2. Questionnaire Directed at the Pensioners Union Executives
3. Interview Schedule for Employees of PFTs
4. Interview Schedule for Employers of Labour
5. Scale of Benefits under 1979 Pension Act
6. Review of Pension and Gratuity Rate in Kano State Schedule 1 Table A
7. Krejcie and Morgan Sample Size Table
8. SPSS Regression Analysis Output from the Field

LIST OF ABBREVIATIONS

CPS	Contributory Pension Scheme
CPSIQ	Contributory Pension Scheme Implementation Questionnaire
DAGS	Director Administration and General Service
DPGS	Director Pension and Gratuity State
DPGLG	Director Pension and Gratuity Local Government
DPRS	Director Planning Research and Statistics
DB	Defined Benefit
DC	Defined Contribution
FGN	Federal Government of Nigeria
KSPGL	Kano State Pension and Gratuity Law 2006
LGAs	Local Government Areas
LGEAs	Local Government Education Authorities
MDAs	Ministries, Departments and Agencies
NPFS	National Provident Fund Scheme
NSITF	National Social Insurance Trust Fund
OHS	Office of the Head of Service
PAYG	Pay-As-You-Go
PDO	Pension Desk Officer
PENCOM	National Pension Commission
PGL	Kano State Pension and Gratuity Law
PFTs	Kano State Pension Fund Trustees
PFAs	Pension Fund Administrators
PFCs	Pension Fund Custodians
PRA	Pension Reform Act
PSR	Public Service Reform
RSAs	Retirement Savings Accounts
SUBEB	State Universal Basic Education Board
SPSS	Statistical Packages for Social Sciences

ABSTRACT

This study is an assessment of the effects of the implementation of contributory pension scheme on retirement benefits in Kano state: A study of Kano State Pension Fund Trustees from 2007-2015. The problem investigated revolves around the effect of the implementation of CPS on timely payment of retirement benefits, the effects of compliance with the Kano state pension and gratuity law 2006 in the remittance and the investment of the contributed funds on effective payment of retirement benefits among others. The study aimed at examining the effects of the implementation of contributory pension scheme on the payment of retirement benefits in Kano State. The data for the study were generated from primary and secondary sources. The instruments of the primary data collection used were questionnaire and interview, while secondary sources made use of reports, books, magazines, gazettes, journals, research theses and dissertations and the internet. Data were analysed using descriptive and inferential statistical tools. Questionnaires were distributed on a sample of 118 respondents selected from 164 population of the study through a stratified and simple random sampling techniques to test the hypotheses. Regression analysis tests result revealed that, compliance with the contributory pension scheme law significantly affects the payment of retirement benefits and that, implementation of CPS has significantly improved the timely payment of retirement benefits in Kano State. It was recommended among other things that, PFT must ensure effective implementation of the penalties provided by the Pension and Gratuity Law 2006 on non-compliers regardless of their position or status, and that, Conducive and enabling environment must be created by the government for smooth implementation of the scheme particularly in the areas of investment of the pension funds/assets and full remittance of contributions to the PFTs. For timely processing of retirees' retirement benefits PFTs must ensure that, qualified staff are

recruited and posted as Pension Desk Officers to every government organisation operating under the scheme particularly LGA' and LGEAs

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The Concept of pension could be said to be as old as man and his working environment. Even in primitive time man was inclined to put aside something in cash or in kind, but mostly in kind to take care of the rainy day. The rainy day also included old age. In modern times it is generally conceived as the sum of money paid regularly by employers to former employees who have retired from their service usually as a result of attaining a fixed age limit in service or due to other reasons like sickness, widowhood or disableness (Nyong & Duze, 2011).

World-wide, even in the most advanced economies of the world, like the United State of America (USA), United Kingdom (UK), and France, Pension administration and issues related to the treatment of the aged and the infirmed pose very deep and disturbing problems (Ahmad & Oyediran, 2013). The difference as observed by Kolawole (2003) between advanced societies and ours however is the sense that, the power of imagination, creative thinking and planning are brought to bear on complex social problems.

Workers generally whether those in the public or private sectors are expected to live comfortable life devoid of any form of dependency after their successful retirement from active service. Rabelo (2002) cited in Sule and Ezegwu (2009) argues that, the working lives of employees move continuously towards a certain direction i.e. from employment to growth to retirement. Some are fortunate to save enough money to take them through the retirement period or “the rainy day” while a majority leave the service with little or no savings at all. Ideally, the governments and organizations need to identify a way of accommodating and adequately rewarding employees’ past efforts through organized pension plans, so that, they can achieve the

goals of their existence. This is often achieved through different retirement policies which include the defined Benefit (pay-as-you-go) scheme, the National provident fund scheme and the contributory pension scheme that is expected to be fully funded (Sule & Ezegwu, 2009).

The idea of pensions and its significance was supported by divergent schools of thought. These schools of thought according to Kantudu (2005) are: the contributory school of thought, non-contributory school of thought and the hybrid school of thought. The first school of thought, emphasizing on contribution is advocated by most accounting standards setting bodies as well as by scholars such as Campbell and Fieldstein (2001). The school of thought argued that should the employees contribute a certain percentage to the plan; the employee will be able to receive the entire or part of the benefits at retirement or in case of termination of appointment or dismissal. This is based on the principle of operational efficiency in computation and funding. According to Kantudu (2005) the second school of thought (the non-contributory) was.also advocated by some Accounting Standards setting bodies and scholars like McGill (1984) and Byrne (2003). According to this school of thought, employers alone should fund the pension asset. The belief of this school was that, the singular funding made by the sponsor encourages and attracts more qualified and dedicated employees into the organization. Under this arrangement, the benefit is defined by a formula and pension at retirement is paid either as a lump sum amount or as a life annuity. The third school of thought is the Hybrid School of Thought. According to this school, Pension funds are defined as a collective pension plans that benefit from some (but varying) risk sharing between participants and with the sponsors and usually offer guarantees and conditional indexation.

Series of pension schemes have emerged in Nigeria before and after independence. Pension scheme was introduced into Nigeria during the colonial era to provide old age income

and security to British citizens working in the country upon retirement (Nnanta, Okoh & Ugwu 2011). Nigeria's first ever legislative instrument on pension matters was the pension ordinance of 1951, which had retrospective effect from 1st January, 1946. The National Provident Fund (NPF) scheme established in 1961 was the first legislation enacted to address pension matters of private organizations. It was followed 18 years later by the Pension Act No. 102 of 1979 as well as the Armed Forces Pension Act No. 75 of 1987, followed by the Local Government Pension Edict which culminated into the establishment of the Local Government Staff Pension Board of 1987. However, according to Orewa and Adewumi (1983) cited in Nnanta,et al (2011) local government system also established pension schemes for their staff, with a separate board known as the Local Government Staff Pension Board (LGSPB), it was established to take care of local government staff that would have retired from 1st April 1979. In 1993, the National Social Insurance Trust Fund (NSITF) Scheme was established by Decree No.73 of 1993 to replace the defunct NPF scheme with effect from 1st July 1994 to cater for employees in the private sector of the economy against loss of employment income in old age, invalidity or death (Sule & Ezugwu, 2009).

Pension funds in the Nigerian public sector over the years have always come from budgetary allocations, non-contributory and not fully funded, thereby creating bottlenecks, Pension deficit, with an estimated ₦2.3 trillion pension liabilities to public servants in Nigeria owed by the Federal Government, series of death after retirement due to delay or lack of payment after retirement, diversion of allocated funds, presence of ineligible pensioners on the pension payroll and inadequate pension benefits (Odia & Okoye 2012: Nyong & Duze 2011 and Sule & Ezugwu 2009). These whole issues led to the 2004 Pension reform also known as the Contributory Pension Scheme (CPS).

However, the Pension Reform Act 2004 only cover employees of the Federal Government, Staff of the Federal Capital Territory as well as private sector employees (S.1(2) of PRA: 2004) and excluded employees in the states and local governments (the servant 2006). Hence by implication, the reform granted states and local governments the latitude to evolve independent scheme that were in tune with their norms and values as well as to cater for the socio-economic wellbeing of their states (The Servant 2006).

As indicated above, this led to the establishment of Kano State contributory pension scheme which came into effect on 17 October 2006, equivalent to Islamic Calendar 1427 A.H and the law took effect on 1st January, 2007 (the servant, 2006).

Pension schemes are designed to provide employees with security by currently building on rights that will give a guaranteed income to the employees or his dependents on retirement or death (Armstrong cited in Ngu 2014).. As such the Central goal of Pension Scheme has been to ensure that retiree's lives after service are not jeopardized due to financial constraints (Yusuf, 2014).

Managing and administering pension funds have continued to pose a major challenge to governments in Nigeria. For instance, the first Pension Ordinance of 1951, though Pensions and gratuities were provided for in the legislation, it was applied only to United Kingdom officials posted to Nigeria. When the law became applicable to the indigenous staff, it had a limited application to the extent that, it was granted as the pleasure of the Governor-General at the Federal level and the Lieutenant-Governor at the regional level. This means therefore that, pension was not an automatic right of Nigerians Ngu (2014).

The ordinance and other pension laws were further consolidated under the Pension Act No. 102 of 1979. Under this law, government bore 100% liability for the payment of retirement

benefit, and eligible pensioners were granted rights to pensions and gratuity. At the same vein, pensioners were granted right to corresponding increases in pension and gratuity rates within every salary increase. Similarly, the reform granted authorities the right to charge gratuity and pension from the consolidated revenue fund of the government.

However, this beautiful package of the reform subsisted up to the mid 1980s, when it began to witness some drifts manifested in the inability to pool on sustainable basis the required funds to pay pension and gratuity (Abdullahi, 2007). The derailment became so apparent and pathetic in the early 1990s that, the entire public service was wondering if it had a pension system at all, as retirees had to wait for months if not years without been enrolled on the payroll, and where such enrolment was forthcoming, payment could not be as and when due (Abdullahi, 2007).

Commenting on some of the reasons that led to the failure of the pension (Pay-as-you-go) scheme generally, Fapohunda (2013) lamented that, the administration of pension scheme has been inundated by multiple and diverse problems such as inadequate funding, poor documentation, inadequate subventions and grants, poor filing in pension office, lack of accountability, corruption and embezzlement of funds. On the same vein, Sule and Ezugwu (2009) lamented further that, the pension system in Nigeria prior to pension reform 2004, in the public sector, was largely characterized by Pay-As-You-Go (PAYG) defined benefit which is a non-contributory pension scheme and was bedeviled by many problems. These problems really constituted a setback for the scheme as they include: non-availability of records, uncoordinated administration, inadequate funding, outright fraud, irregularities and conflicting laws, presence of ineligible pensioners in the pension's payroll and incapacity to effectively implement budget and make adequate provisions. It became imperative for the government to embark on reform to

restore the hopes of the pensioners and the entire workers. In fact by the year 2002 alone, Kano state government owed pension liabilities of over ₦8 billion (The Servant 2006), this has led to poor condition of living to retirees and instill a fear of retirement to serving public servants in Kano state.

It is against this backdrop that, this study seeks to examine the effects of the implementation of contributory pension scheme on the retirement benefits in Kano State, with a view of assessing the effectiveness and efficiency of the scheme in the payment of Pensions and gratuities to retired employees as and when due in the state.

1.2 Statement of the Research Problem

To overcome the challenges of the pay-as-you-go pension scheme and ensure effective and efficient pension administration in Kano state, the government in 2006 promulgated a pension and gratuity law which brought about Contributory Pension Scheme (CPS) in the Kano State public service. The law provided the purpose for which the scheme was established which was to ensure that every person who worked in the Kano State public service receives his benefit as and when due. The law made an elaborate provision as to the funding of the scheme, establishment of the management, functions and independence of Pension Fund Trustees (PFT) in the management and supervision of the scheme. The law also made provisions that ensure adequate funding and remittance of the contributed funds. In fact, the law ensures effective compliance by all organizations and that any organization of government defaults in remitting contributions due to the fund, the trustees shall bring this to the notice of the Governor for intervention failure of which the trustees shall have power to proceed with legal action against the defaulting organization. To ensure that retirees live a good life after retirement, the scheme adopted some elements of contributory scheme and the defined benefit scheme with a 25% of the

employee's monthly emoluments to be contributed in the ratio of 17:8 by the employer and the employee respectively (KSPGL, 2006). The funds are to be remitted to the PFT which is used for the payment of pensions, Gratuities, death benefits and pension arrears, and the surplus pension funds are to be invested into specified ventures for the maintenance of fair returns on the investment and sustainability of the scheme.

However, in spite these laudable objectives of the contributory pension scheme and heavy machineries put in place by the Kano State government, there are some posing challenges such as fraudulent activities, and embezzlement of contributed assets/funds (the Guardian 8th, may 2015). In fact, there are still speculations among public servants in the state about the success of the scheme as to whether it would be able to address the problems of corruption, poor administration of pension fund, poor monitoring, evaluation and supervision of pension fund that usually featured in the past pension schemes in the state

Some of the problems affecting the effective implementation of the scheme in Kano State and hence affecting the payment of retirement benefits were non-compliance of some organizations in the remittance of the contributed funds to the PFT. For instance, over N10; 049,763,446.06 employers and employees contributed funds were retained by some authorities from 2011 to 2015 (Odiakose, 2015). The Guardian newspaper also reported that, over ₦20 billion Kano State Pension funds were missing in the coffers of Kano State government (The Guardian 8, May 2015). Other issues affecting the proper operations of the scheme includes: lack of accountability and transparency in the management of the contributed funds, fraud and irregularities, lack of annual auditing and publication of annual audit reports of the Trustees, illegal dissolution of the Trustees and the appointment of unqualified staff in the management Board of the Trustees contrary to the provisions of the Kan state pension and gratuity law 2006.

Delay in the submission of retirees files by the ministries and local governments for the computation of retirees benefits and the enrollment of the retirees into the pension payroll is also another problem bedeviling the scheme, The scheme also faces the problem of delayed payment of Gratuities and death benefits to potential retirees from January to August, 2015 with over N4.1 billion gratuity debt in such liability (Sani 2015). This has led to untold hardships to retirees within such period. Furthermore, Payment of pensions from 15th to 25th of every month has also witnessed a setback this time in fact has become history in the state. .

1.3 Research Questions

In view of the research problems identified, the following research questions were addressed in the course of this research:

i. To what extent has compliance with the contributory pension scheme law affected the payment of retirement benefits in Kano State?
ii. How has the level of funding of contributory pension scheme significantly affected the payment of retirement benefits in Kano State?
iii. Has the implementation of contributory pension scheme improved timely payment of retirement benefits in Kano State?

1.4 Aim and Objectives of the Study

The central aim of this study was to examine the effects of the implementation of contributory pension scheme on retirement benefits in Kano State. However the Specific objectives of the study are to::

i. Examine the extent to which compliance with the Contributory Pension Scheme law affects the payment of retirement benefits in Kano State.

ii.. Determine the effects of funding of contributory pension scheme on the payment of retirement benefits in Kano State

iii. Find out the impact of the implementation of contributory pension scheme on the timely payment of retirement benefits in Kano State.

1.5 Hypotheses

The study was based on the following null hypotheses which were tested at $p < 0.05$ at the end of the research work:

i. H_1. Compliance with the contributory pension scheme law has not significantly affected the payment of retirement benefits in Kano State.

ii. H_2: The level of Funding of contributory pension scheme has not significantly affected the payment of retirement benefits in Kano State.

iii. H_3: The implementation of contributory pension scheme has not significantly improved the timely payment of retirement benefits in Kano State.

1.6 Significance of the Study

The essence of any research study is its ability to enrich and add value to existing body of knowledge and proffer solutions to perceived social problems (Faruk, 2012). Notwithstanding, the study is different and unique as its specific focus was different from other previous research works on the same area. A number of research works has been embarked upon by several researchers on issues related to contributory pension scheme in Nigeria. Majority of these works revolves on issues like, pension administration in Nigeria, compliance with CPS, the effects of CPS on the welfare of retirees, the role of CPS on capital market. For instance, the previous studies by Abdullahi (2007) focused on an overview of pension administration in Nigeria; Oladipo and Fashagba (2012) centered on evaluation of the Compliance with the stipulations of

Contributory Pension Scheme on some selected Federal government institutions. The effects of the contributory pension scheme on the welfare of retirees in some selected federal establishments was carried out by Faruk (2012); Evaluation of the application of CPS on employee retirement benefits of quoted firms in Nigeria by Sule and Ezugwu (2009); An evaluation of CPS Administration in Nigeria by Aja (2014); the role of the Nigerian pension reform scheme in capital market: an implications for development (Pam, 2008); others focused on retirement benefits under the new pension scheme and the challenges of global financial crisis (Maiturare M.N. sic); Contributory Pension scheme workers commitment, retention and attitude towards retirement planning in the Nigerian civil service (Chizueze, Nwosu & Agba 2011), these have been the focus of the researchers. However, this research work focuses on the assessment of the effects of the implementation of CPS retirement benefits in Kano State as such certain gap stands to be filled.

This research work is hoped to add value to the existing body of knowledge in the area of contributory pension scheme in Nigeria particularly the implementation aspect of the scheme as it constitute a great concern towards the achievement of the overall objectives of the CPS in Kano State. It will expand the frontier of knowledge by identifying the effects of poor implementation of CPS in Kano State and how it undermines the achievement of overall objectives of the scheme i.e. timely payment of retirement benefits.

The study was hoped to bring to a light the Kano State contributory Pension scheme which is the marriage between defined benefits and defined contribution schemes in the Nigerian pension industry as it examined the implementation of CPS, compliance with the CPS law and funding of CPS as they effected the payment of retirement benefits in Kano State.

The study is hoped to further provide solutions to the problems of the poor implementation of CPS in Kano State especially problems related to non-compliance with the pension and gratuity law 2006 by the PFT, Government and the employers of labour organisations which can be used by the scheme administrators responsible for the implementation of the scheme in Kano State Pension fund trustees and will further build employees confidence on the scheme.

The study will also be of important to the legislators in the state house of Assembly as it point out to them the adequacy or otherwise of the funding of the scheme and the urgent need for a necessary legal document that will ensure full compliance with the pension and gratuity law 2006 by the government and the employer organisations.

The study will serve as a point of reference to the policy makers in the Federal Government and other states of the federation on pension matters. It will also be a worthwhile endeavor which will be beneficial to wide ranging beneficiaries such as employees, employers, organized Labour groups, scholars and students of administration, management and political science and finally the study is also hoped to have layed a foundation for further researches on the implementation of contributory pension scheme in Federal governments and other states of the federation and the country at large.

1.7 Scope and Limitations of the Study

The scope of the study covers three major areas. This includes geographical coverage, substance of the work and period of time. On the geographical coverage, the study covered Kano State Pension Fund Trustees and the retirees in Kano state particularly the Pension Union Kano state chapter. The modalities and justification for the coverage are detailed under research techniques in chapter three. Two organizations; Office of the Head of Service and ministry of

education particularly State Universal Education Board (SUBEB) were also selected from among the public organizations to represent the perceptions of the employers of labour in the state. The choice of the office of the Head of Service was based on the fact that, the organisation is solely responsible for the recruitment, discipline and all issues related to workers in the state, and their views will add value to the research work and will represent the views of other public organisations in the state. The choice of SUBEB is justified on the fact that, the organisation has the largest number of staff in the state. Therefore, views from the management of the board will add greater value to this research work. In terms of substance, the study assessed the effects of the implementation of contributory pension scheme, funding and compliance with contributory pension scheme on the retirement benefits in Kano State.

The time frame for the study covers the period of Nine (9) years i.e. from 2007-2015. The choice of this period was necessitated by the fact that, from 1st January 2007-May 2011 the scheme experienced a tremendous support by the government introducing the scheme and the scheme has augured well to pensioners in the state. While from 2011-2015 when there was a change in the democratic era of the regime establishing the scheme to another elected government when retirees in the state are expecting more promising government that will continue with inherited effective implementation of pension scheme with the view of ensuring timely payment of retirement benefits. However, the scheme suffers some summersaults in its implementation leading to an accumulated pension liabilities and untold hardship to retirees in the state. Therefore, this study is only limited to the contributory pension scheme operated in Kano State public service and retirees from the state and local government public services excluding retirees from federal government or private sectors in the state.

A study of this nature is bound to have some limitations. Some of The limitations to this research were;

The researcher was denied access to some vital documents that were vital to the research especially those dealing with financial aspects, budget, records and other related secondary data dealing with the amount of pension funds remitted to the PFT and the amount paid to retirees' within the period under review which could have been used as a basis for analysis, and all efforts geared towards this were refuted.

Also responses from the beneficiaries were intended to have been obtained through interview, however due to the critical situation pension matters are in the state, the researcher was denied to conduct interview on the pension union leaders instead of which questionnaire instrument was substituted on the basis of its anonymity than the interview tool, this is also another limitation to this research work.

Limited resources especially as it relate to financial resources and time constraints to the researcher were also the limitations to the research. However, in spite of the limitations to this research work,, the overall objectives of the research were accomplished through questionnaires and structured interviews.

1.8 Definition of Relevant Concepts

In this research work, the following words and concepts were used:

Compliance: Compliance is either a state of being in accordance with established guidelines or specifications, or the process of becoming so. Compliance is the adherence of the implementing agencies, departments and officials to prescribed policy standards, rules, methods, objects and target. This determines whether implementation activity conforms to policy

prescriptions and standards or not. The policy is derailed or becomes ineffective when desired actions and standards are not adhered to by those implementing them (Anderson 1975)

Compliance in this research work therefore means adherence to the provisions of the Kano State pension and gratuity law 2006 by the employers in the remittance of pension contribution and submission of retirees' files to PFT within the stipulated time limit, and the PFTs' independence in the management of retirement benefits in Kano State. Thus compliance encompasses the following:

PFT compliance in:

- PFT compliance with the 2006 pension and gratuity law in the payment of pensions and gratuities.
- PFT's compliance with the existing laws in the investment of surplus funds.

Government organizations' (MDAs i.e. employers of labour) compliance:

- MDAs remit their mandatory contributions to PFT within 7 days after the payment of workers' salaries.
- MDAs' remittance is being made to the PFT designated bank account.
- MDAs submit files of potential retirees within the stipulated period of time

Funding: Funding is the money provided especially by an organization or government for a particular purpose. It is also the act of providing financial resources usually in the form of money or other values such as efforts or time to finance a need, programme and project. In this study funding means the 25% workers monthly emoluments contributed for financing the scheme on a ratio 17: 8% employers and employees respectively and Returns from investments of surplus pension funds, the regularity and the timing of the contributions.

Timely payment of retirement benefits: in this research work timely payment of benefits means enrollment of retirees into the pension payroll in the month after the lapse of their retirement notice, payment of pensions on or before 30th of every month, payment of gratuities within three months after retirement, and payment of death benefits to the deceased survivors within four months.

Implementation: Implementation literally means carrying out, accomplishing, fulfilling, producing or completing a given task. Implementation can be conceptualised as the process of translating policy mandates into action, prescriptions into results and goals into reality. It is also the actions taken to carry out, accomplish and fulfill the intents, objectives and expected outcomes of public policies (Pressman and Wildavsky 1979) In this research work implementation means putting in to action the Kano state contributory pension scheme towards ensuring that every person who worked in the Kano State Public Service receives his benefits as and when due

Retirement Benefits: Is a monthly payment made to some one who is retired from work. It is the regular payment to a person that is intended to allow them to subsist without working. In this study therefore, Retirement Benefits means a retiree's terminal benefit of monthly pension and a wholesome payment of gratuity after retirement as well as the payment of death benefits to the deceased's survivors.

Contributory Pension scheme: This is referred to as a scheme where employers and employees make contributions usually a fraction of emoluments or a specified on a periodic basis usually as incomes are received daily, weekly or monthly. The contributions are invested in financial instruments and the level of contribution, which may be variable especially where

voluntary contributions are allowed and on the investment income determines retirement benefits. There is therefore no certainty as to the level of retirement benefits (Gbitse 2008).

Contributory pension scheme in this study means a pension scheme where the employers and employees jointly finance the scheme. Contributions of today's workers who will be recipients tomorrow are used for the payment of pensions and gratuities of today's recipients. The surplus funds are invested into some specified business ventures for financial sustainability of the scheme. The scheme operates on the Pay-As-You-Go basis.

1.9 Structural Organization of the Study

The first chapter discussed the general background of the subject matter, the research statement of the problem, research questions, objectives of the study, research hypothetical statements. Others are significance of the study, scope and limitations, definition of key concepts and the organization of the study. Literature review and theoretical framework were presented in chapter two. It discusses the various scholars' and intellectuals' submissions on the concept of pension, retirement and implementation as well as an overview of pension administration in Nigeria. Others are the theoretical issues related to subject under discussion, the review of related empirical studies and the theoretical framework for the study.

Chapter three explained the research methodology, discussing the research design, population, sampling techniques and the sample size for the research, methods of data collection to be adopted, as well as the instrument of analysis for the data to be collected and the statistical tool to be used for testing the hypotheses.

Chapter four focused on the history structure and the operational patterns of contributory pension scheme in Kano state. It presented the historical background of Kano State Pension Fund trustees, organizational structure, objectives, functions, achievements and the challenges among

other things. Also the chapter discussed objectives, nature, rate of contribution, computation of retirement benefits as well as the Pension Funds investment criteria according to the 2006 Kano state Pension and Gratuity Law.

While, chapter five presented data collected from the field and its analysis. It provided the test results of the hypotheses from the questionnaires administered and the analysis, it also provided the test results of the hypotheses and general discussion of the findings. Chapter six was the concluding chapter of the research work. It presented the general summary of the research, the conclusions drawn from the empirical findings as well as recommendations propounded towards enhancing the implementation of Contributory Pension Scheme in Kano state.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction

This chapter reviewed concepts related to the research topic. It examined and reviewed the concepts of pension, retirement, implementation, Pay-As-You-Go pension scheme, Contributory Pension Scheme and Empirical studies related to the research topic were also reviewed. Theoretical framework for the study was also discussed and applied to the research topic.

2.2 Literature Review:

2.2.1 Concept of Pension:

Gbitse (2008) was of the view that, Pension represents a payment to a worker during the retirement phase of his life to ensure his sustenance and that of his beneficiaries after the active phase of working life. According to Encyclopedia Britannica, pension is a series of periodic monetary payments to a person who retires from employment because of age, disability or the completion of an agreed span of time (Yusuf, 2014). Pension was also defined by Kano State pension and Gratuity law (2006) as a lump sum payment of benefits by the employer to the employee on leaving the service (gratuity), a monthly payment of retiree under the scheme who have retired after serving for fifteen years and attaining the age of fifty years (pension).

In the same vein Abdullahi (2007) sees pension as the right of an employee to derive some sort of benefits upon retirement if certain conditions, such as minimum years of service or minimum age have been met. This benefit may be a lump sum called gratuity or periodic payment called pensions.

However, the above assertions were more limited in their definitions; hence their definitions were more related to the old system of pension scheme which is far different from the new pension scheme. Therefore, pension from the new scheme can be seen to mean a regular payment made during a person's retirement from active service from an investment fund to which that person and his employer contributed or his employer has contributed.

According to Adams (2005) pension is the amount paid by government or company to an employee after working for some specific period of time, considered too old or ill to work or have reached the statutory age of retirement. It is equally seen as the monthly sum paid to a retired officer until death because the officer has worked with the organization paying the sum

For Ozor (2006) Pension consists of lump sum payment paid to an employee upon his disengagement from active service. According to him, payment is usually in monthly installments. He further stated that pension plans may be contributory or noncontributory; fixed or variable benefits; group or individual; insured or trustee; private or public, and single or multi-employer. Robelo (2002) was of the view that, pension is a method whereby a person pays into pension scheme a proportion of his/her earnings during his working life. The contributions provide an income (or pension) on retirement that is treated as earned income. This is taxed at the investors' marginal rate of income rate; on the other hand, gratuity is a lump sum of money payable to a retiring officer who has served for a minimum period of time (Eme, Uche & Uche, 2014). The Robelo's definition is however limited in the sense that, under the Nigerian new pension scheme (PRA, 2004), no place for gratuity.

Tracing the origin of pension Momoh and Idomeh (2008) were of the view that, one of the oldest documents to discuss social support was the code of Hammurability by King Hammurabus of Babylon in the 18th century. For instance the code defined the rights of evil

doers and orphans to the estates of their relations. According to Bloom (2005) one of the first publicly financed social security systems was developed in the late 16th century in England from a series of legislature Acts known as poor laws. Under these laws, local governments built large alms-house facilities that housed the people too old or unfit for work. Poor laws also established work houses and facilitated public housing for the employed. Moreover, these laws gave rise to the social insurance in Europe and social security in the United States (Odia & Okoye, 2012).

In support of the above views, Oladipo and Fashaba (2012) were of the view that, the origin of pension has been traced to the introduction of retirement benefits which followed the industrial development. But records has it that Pension benefits in particular and social welfare in general can be traced back to the Babylonian era and through stages of transformation, the form of pension has significantly advanced to what it is today.

The retirement benefits first came in the form of gratuities which were one lump sum amount paid to retired employees by the employer as part of the employer's social responsibilities. The provision of gratuity for a retiree at the point of final departure from the employer with one lump-sum payment is to help cushion the effect of a sudden discontinuity of regular income. Gratuity was unable to mitigate the effect of discontinuity of salary and led to a further device of additional retirement benefit known as pension (Oladipo & Fashagba, 2012).

The exact origin of pension in Nigeria is debatable (Sule & Ezugwu 2009). However, the privilege of receiving gratuity and pension appears the manifestations of the victory of labour in his fight with the employer over his exploitation.

According to Adebayo (2006) and Ugwu (2006) there are four main classifications of pensions in Nigeria:

a. **Retiring Pension**: This type of pension is usually granted to a worker who is permitted to retire after completing a fixed period of quality service usually 30 to 35 years or on attaining the age of 60 to 65 years for the public service in Nigeria and 70 years of age for professors and judges.

b. **Compensating pension**: This type of pension is granted to a worker whose permanent post is abolished and government is unable to provide him with suitable alternative employment

c. **Superannuating Pension**: This type of pension is given to a worker who retires at the prescribed age limit as stated in the condition of service.

d. **Compassionate Allowance**: This occurs when pension is not admissible or allowed on account of a public servants removal from service for misconduct, insolvency or incompetence or inefficiency (Amujiri 2009:140 cited in Eme & Sam 2011; Nanta et al 2011, and Eme, Uche & Uche, 2014).

Commenting on the objectives of pension, Gbitse (2008:2), was of the view that Pension scheme exist to achieve several objective, the most paramount of which are;

i. **Social Security**: In this regard, pension scheme exist to ensure that people receive some income in their old age to take care of themselves and any dependents. Under this objective, proponents of pension schemes realize that individuals are on their own predisposed to improvidence and are unable to make arrangements by them for their old age, except their employers or the Governments provide same or establish the necessary structures. For example, the Nigerian Pension Reform Act 2004 has assurance of retirement benefits and assisting improvident individuals save for their retirement as part of its cardinal objectives.

ii. **Encourage work, Ethical behaviour and worker productivity:** The existence of pension schemes ensure that people are encouraged to work because their lifestyle in retirement is taken care of. Also, in developing economies struggling with massive corruption and for certain categories of employees, a defined benefit system may give reasonable assurance and encourage ethical behaviour. Workers productivity may also be enhanced by defined contribution schemes that encourage worker productivity as contributions are enhanced by promotions, wage increases and additional income which may be tied to productivity e.g. incentive bonuses.

iii. **Encouraging Savings:** Individual and collective savings are key to individual and family wealth creation as well as national development. Contributory pension schemes ensue that a savings culture is instilled and leads to capital accumulation that is required for societal development. The incentive provided by contributory schemes like tax incentives for both employers and employees.

Furthermore, Logue and Kader (2005) cited in Oladipo and Fashagba (2012) provided five justifications for pension plans which include:

i. tax advantage of pension
ii. helping people to save for retirement
iii. helping employers to attract the most desired employees
iv. Used as severance pay and helping to restructure the workforce.
v. helping to increase productivity

Pension schemes generally exist to ensure that workers and their dependents are catered for in retirement and in old age. To ensure that, this objective is achieved, pension schemes in modern time according to Gbitse (2008) are founded on the following principles:

(i) It should be fully portable and should attract no transfer costs when switching jobs or pension managers. Under PRA 2004, this principle is practiced with ease of transfer of RSA to any PFA at no cost;

(ii) It should offer a realistic replacement rate and provide additional benefits such as disability benefits etc.

(iii) Employers should treat all employees equally especially in terms of contribution rates and benefits irrespective of seniority. In Nigeria, previously the basis for calculating benefits for permanent secretaries differ compared to other civil servants.

(iv) Additional voluntary contributions should be allowed to encourage workers to augment their retirement benefits

(v) Benefits and contributions must be easy to understand and calculate.

(vi) Assets of the Pension funds must be held in safe custody perhaps with an independent custodian;

(vii) Competitive pressures and economies of scale will ensure that distribution, administration and investment management services will be provided efficiently and at low cost; and

(viii) Information about pension schemes, including performance and fees must be open and publicly available.

However, the question that comes to our mind is that how these principles are ensured and adhered to in Nigeria? When the federal government employees are not treated equally some employees are still operating under DB scheme like judges.

2.2.1.1 Pension Schemes

Pensions as a scheme is designed to cater for the welfare of the pensionable retired workers had for long gained global recognition and acceptance. Workers generally whether those in the public and private sectors are expected to live comfortable life devoid of any form of dependency after their successful retirement from service (Sule & Ezugwu 2009). They further contend that, the working lives of employees move continuously towards a certain direction i.e. from employment to grow, to retirement, some are fortunate to save enough money to take them through the retirement period or the "rainy day", while a majority leaves the service with little or no savings at all. Ideally, the governments and organization need to identify a way of accommodating and adequately rewarding employees' past efforts through organized pension plans, so that they can achieve the goals of their existence (Robelo, 2002).

Pension Schemes can generally be categorized as: Defined Benefit (DB) Schemes and Defined Contributions (DC) Schemes (Gbitse, 2008; Odia & Okoye 2012; and Ahmed & Oyadiran, 2013). It is however possible that, there may be slight differences among nations that adopt each plan in the way each country practices its chosen plan. Details of these follows:

i. Defined Benefit (DB) Schemes: According to Ako (2006) the first known cases of pension in history were non-contributory i.e. Defined Benefit (cash transfer) programmes targeting the elderly and can be traced to the late 19th century and early 20th century in countries such as Brazil in 1888, Denmark in 1891, New Zealand in 1898, Australia in 1908 and Sweden in 1913 (Ahmad & Oyadiran, 2013)**.**

Defined Benefit (DB) schemes are schemes that promise a specific level of benefit at retirement based on final emoluments and number of working years. In a DB scheme, the scheme sponsors usually the Government or employers set aside funds to provide for these

defined benefits. DB schemes require actuarial valuations to ascertain the "funding gap" i.e. the difference between the scheme's assets (funds) and its liabilities (promised benefits). According to Baker, Logue and Rader (2005) the DB scheme is an employer-sponsored pension scheme. The plan specifies amount of retirement benefits ahead of the time of retirement. The DB plan includes a benefit formula that specifies how much each covered employee will receive when the employee retires. Formula is the central concept in the definition of DB plan (Darfman 1998; Aitken, 1994). The other concepts that are important in the scheme include the number of years of service of the employees before retirement and employees' last year average salary. Skipper and Kwon (2007) argued that the plan benefit can be predetermined and some benefit amounts vary by salary level. Booth and Chadburn (2005) explained further that, a defined benefit scheme is one where there is a fixed rule for calculating the benefits. DB scheme is also referred to as Pay-As-You-Go (PAYG) because the longer the length of service, the higher the pension amount entitled to as income normally increases annually (Oladipo & Fashagba, 2012).

Fapohunda (2013) opined that the PAYG DB pension scheme has certain merits. One merit of the system is that only the employer contributes and the employees do not bear the burden of contributions. Also for the DB PAYG scheme there is a general scale of benefit which is more generous than the new contributory scheme. In addition, it involved periodic pension increases with salaries because monthly pensions were always increased whenever there was a wage increase. More so, payment by the employer is defined and there is no immediate pressure on employer's cash flow as payment is only made after retirement. It is also less expensive to administer since administrative costs begin from retirement.

ii. Defined Contribution (DC) Scheme: - Defined Contribution (DC) schemes are schemes where employers and employees make contributions usually a fraction of emoluments or a

specified on a periodic basis usually as incomes are received daily, weekly or monthly. The contributions are invested in financial instruments and the level of contribution, which may be variable especially where voluntary contributions are allowed and on the investment income determines retirement benefits. There is therefore no certainty as to the level of retirement benefits in a DC Scheme (Gbitse, 2008).

According to Oladipo and Fashagba (2012) the contribution fund is made to pension fund to raise a fund that will be sufficient for retirement when it is due. The contribution is made while the employees are still in service. In Van Home (2002) view "here a company agrees to make a specified monthly or annual payment to the pension plan". The contribution is invested and the accumulated contribution and invested earning are paid to the employees at retirement. Booth and Chadbum (2005) noted that, each member has an individual account in which the contributions are paid for the member and accumulate until retirement. The contributions are made either by the employer alone or jointly contributed by both the employer and the employees.

According to Ako (2006) the first known contributory pension system was introduced in Germany by the beginning of the 20th century and was labeled Bismarckian after Oho Von Bismarck who proposed the system. Since then, the contributory pension model is now pervasive world-wide. Goode (1994) identified some major benefits of the scheme as to include: The scheme leaves employer with no trouble of looking for fund when it is due as it is already provided for. The scheme members are also guaranteed for pension even in case of dismissal by the employer and the employees are protected against the consequences of their employers' insolvency (Oladipo & Fasahgba, 2012),

According to Abdullahi (2007) the most type of defined contribution plan is the 401 (k) plans. These plans were named after section 401(k) of the internal Revenue Code which became effective in 1980. Here an employee authorizes the employer to deduct a certain amount of money from his or her pay check before taxes and to invest it in the 401(k) plan. This result in a pre-tax reduction in pay, so the employee pays no tax on those set aside amount until after he or she retires or removes the money from the 401(k) plan. The employee decides how much the employer will deduct and deposit in the 401(k) plan, the person can deduct up to the legal maximum limit. The employer than arranges with an investment company to actually manage the 401(k) plan and to make various investment options available to the employee's 401(k) plan. In Nigeria, the Pension Reform Act 2004 is an example of DC Pension scheme.

A DB and DC scheme can therefore be differentiated in Table 2,1 as follows:

Table 2.1 Differences between DB and the DC scheme

DB	**DC Scheme**
1. DB Schemes provides certainty of benefits.	Benefits are variable in a DC scheme.
2. DB schemes require actuarial valuations while matching of Assets (funding) against liabilities (promised benefits) takes place	In DC actuarial valuations are not required.
3. Because DB schemes are managed by sponsors, capacity in financial management is required by the sponsors	Individuals are responsible for their future, and should be financially literate and astute to enhance their retirement benefits.
4. The scheme sponsors such as Government and employers bear the risk, even when such schemes are contributory	Individual worker bear the investment risks
5. May expose funds to corporate or Government mismanagement	Usually privately managed with individual responsible for retirement accounts.
6. Provide assurance of benefits till death, i.e. insurance for longevity	May not support longevity, because benefit is based on contributions plus investment income, and doesn't adjust for inflation adjusted income needs and retirement.
7. Does not allow for bequeathing of wealth, although they provide death benefits during active service	Provide for bequeathing of Health, both during service and in retirement.
8. Default risks exists as sponsors may not be able to meet obligations especially under	Default risk is determined at the time of contribution and can be corrected early

PAYG scheme that are unfunded	
9. Encourage worker loyalty	Encourage labour mobility

Source: Gbitse, B. (2008:4-5), Pension Fund Administration In Nigeria. Abuja, Pen & pages Printers Ltd.

iii. Funded defined contribution pension scheme: Beside the two major pension schemes identified above, according to Disney (1999) there exist also privatized funded defined contributions. This scheme essentially works through paying for the pensions of today's recipients with contributions of today's workers, who will be recipients tomorrow. The workers future pensions will be calculated based on their contributions during their working life, sometimes the whole span, sometimes their final years or the years when they earned the most. Their eventual pensions are not directly proportional to their contributions, and there is typically some redistributive mechanism through which some of the contributions of higher-paid workers are redistributed in ways that favoured lower-paid workers. Nor are the distributions saved for the workers; instead they are used to fund the pensions of those who have already retired. The Pension of current workers will, in turn be funded by the contributions of those still working when the current workers themselves retire (Ahmad & Oyadiran, 2013:32).

The problems the scheme face are in part due to retirement of the "baby boom" generation which creates a situation in which a number of people receiving pension is disproportionately high in comparison to those currently working and funding the pension system. An example of this type of pension is obtainable in Kano state where employees monthly contribute 8% of their emoluments and the employer contribute 17% of the emoluments which is remitted to the Pension fund trustees for the payment of current pensions, the balance is invested in some specified investments under the Supervision of the Pension Fund Trustees (KSPGL, 2006).

2.2.1.2 Pension Reforms

Pension schemes around the world have undergone and are still undergoing reforms in response to some of the challenges faced by Governments and employers worldwide in providing for the needs of retirees.

According to Holzman, Orenstein and Rutkowski (2003) two reforms styles have emerged in both EU and EUA countries. These are; the parametric and paradigmatic styles. Holzman et al (2003) explain that:

"A Parametric reform is an attempt to rationalize the pension system by seeking new revenues and reducing expenditures while expanding voluntary private pension revisions. A PAYG pillar is downsized by raising the retirement age, reducing pension indexation; curtailing sector privilege and a development of voluntary pension fund beyond the mandatory social security system is promoted through tax advantages, organizational assistance, tripartite agreement and other means of administrative and public information facilitation. These among other things are happening in Austria, The Czech Republic, France, Germany, Greece and Slovenia" (Faruk, 2012 and Ahmed & Oyadiran 2013).

There is also the paradigmatic reform which is often called a "three-pillar reform". A paradigmatic pension reform is an attempt to move away from the monopoly of a PAYG Pillar within the mandatory social security system. Holzman 2003 noted.

> A paradigmatic reform is a deep change in the fundamentals of pension provision typically caused by the introduction of mandatory funded pension pillar, along with a seriously reformed PAYG pillar and the expansion of opportunities for voluntary retirement savings. Among other measures, this is what three-pillar Bulgaria, Croatia, Denmark, Hungary, Latvia, the Netherlands, Poland, Sweden and the United Kingdom decided to do (Ahmad & Oyadiran, 2013:26).

Some of the attractions of a paradigmatic reform include the possibility of increasing a nation's savings and investment, acceleration of the development of a nation's capital market institutions and therefore overall economic growth rate which a funded pension system could afford. These advantages are perhaps the reason for the predominance of paradigmatic reform in other countries than in the EU countries. (Holzman et al 2003:10).

Relating paradigmatic pension reform to Nigeria, Ahmed and Oyediran (2013) were of the view that paradigmatic pattern of reform predominantly characterizes Nigeria's Pension Reform, even though the changes reflect an amalgam of elements of parametric and paradigmatic changes. The fundamental changes include

i. The introductions of mandatory define contributory system.

ii. Abolition of payment of gratuity and payment of pension for life.

iii. delay in accessing contributions

iv. An opportunity for early retirement.

v. Significant down-sizing of the PAYG system by limiting it to judicial officers and those who have three years or less retirement from the introduction of the law.

Muller (2003) identified five key variables that could trigger reform which include:

(i) Dynamic political leadership

(ii) The role of international financial institutions

(iii) Pension system crisis

(iv) Intelligent reform strategy design

(v) The respective power or powerlessness of reform advocates and opponents.

However, of all five variables Muller (2003) finds the role of political leadership to be critical in his four case studies of countries in Latin America and Eastern Europe namely

Argentina, Bolivia, Hungary and Poland. However, in Nigeria, the combinations of the five factors have triggered pension reforms Act of 2004 which adopted the combination of parametric and paradigmatic styles of pension industry in the country.

2.2.2 The Concept of Retirement:

Retirement is a fluid concept because it connotes different things and is fraught with different experiences for different people. While some individuals view it positively and anticipate it with nostalgia, others dread its eventuality with great anxiety. Thus, it could be said that it is not a homogenous experience for everyone.

According to Flippo (1980) retirement is a "role less role". He pointed out that a society is built on work ethic, the move from a recognizable productive work role on one day to a role less role on the next has stimulated the belief that retirement leads to mental and physical illness and sometimes premature death, to many, work is life and idleness is a living death.

Writing on staff retirement Ngu (2010) states that, "no matter the degree of integration in an organization, however, workers will still have to leave for one reason or the other at one time or the other". He identified three major ways through which workers are separated from their jobs. First, workers may leave their jobs at the initiative of the employer through transfer, lay-off, retrenchment, compulsory retirement or dismissal. Secondly, workers may leave their employment due to uncontrollable circumstances such as death, disability, and ill-health or due to mandatory age provision. Thirdly, workers may leave their appointment at their own initiative such as voluntary resignation or optional retirement (Ngu 2010: 186-187).

Life after retirement is one of the dreaded periods of most workers in Nigeria. The fears of facing the future after retirements creates an ambiance of disturb among employees. Retirement is seen by workers as a transition that could lead to psychological, physiological and

economic problem [Ogunbameru & Bamiwuye 2004 cited in (Chizueze, Nwosu & Agba, 2011). The provoking thoughts of facing uncertain future, after retirement by workers is responsible for most bureaucratic corruption in Nigeria, and could also be responsible for low commitment to work of employees and service ineffectiveness of vital institutions in Nigeria (Agba, Ikoh & Ushie 2008).

For Menlon (1976) retirement signifies the detachment from primary activity in business, industry or active service as full time employee (Eme & Sam, 2011),. It can also be conceptualized as a process that separates an individual from a job role (Atchley, 1977) or as a termination of a pattern of life and a transition (Omoresemi 1987 & Asuquo, 2002). The causes of detachment or separation may be due to old age, poor health, social pressure or apathy.

Eme and Sam (2011) contend that, retirement is the point where people stop employment completely. A person may also semi-retire by reducing work hours. Many people chose to retire when they are eligible for private or public pension benefits, although some are forced to retire when physical conditions do not allow the person to work anymore (by illness or accident) or as a result of legislations concerning their positions.

The idea of retirement is of recent origin, being introduced during the 19^{th} and 20^{th} centuries. Previously, low life expectancy and the absence of pension arrangements meant that most workers continued to work until death (Eme & Sam, 2011). They further contend that, in modern times, most developed countries have systems to provide pensions on retirement in old age, which may be sponsored by employers and/or the state. In many developing or poorer societies support for the old is still provided through the family. Today, retirement with pension is considered a right of the worker in many societies and hard ideological, social and politico-

cultural battles have been fought over whether this is a right. In many developed and developing countries, this right is mentioned in national constitutions.

State old age pension rules in a given country provide a certain age as a standard retirement age (Eme & Sam 2011). The standard retirement age varies from country to country but it is generally between 55 and 70 years in some countries, this age is different for males and females although this has recently been challenged in some countries such as Austria.

Scholars shared similar views in relation to the forms of retirement. Omoresemi (1987); Akande (1995); Johnson (1999); Olusekan (1999); and Nwajagu (2007), identified three major forms of retirement namely: voluntary, compulsory, and mandatory retirement

a. Voluntary or Self retirement: This occurs when the individual decides to quit active service for personal reasons irrespective of age, experience, length of service or retirement policies. This type of retirement depends more on the employee than the employer. This is however in line with what Ngu (2010) in the preceding paragraph called "workers leaving their appointment at their own initiative".

According to Nwajagu (2007), the sang in voluntary retirement is that, when the retirees has not worked for a minimum of ten years he forfeits his gratuity and pension, but if he has put in fifteen years in the service, he becomes entitled to payment of gratuity and pension. However, in Nigeria, today this has been amended. The PRA 2004 has made provision for gratuity from the first one year in the service while pension from five years in the service.

b. Compulsory or forced retirement:- This is an externally imposed by authority in which the individual is forced or compelled to retire against the individual's expectation and when he is ill-prepared for it. it is usually viewed negatively unplanned and reasons might include inefficiency, old age, ill-health, indiscipline and need for reduction of the workforce (Johnson, 1999).

c. Mandatory Retirement: This is in other words called statutory retirement. It is the normal (or expected form) in the sense that the person involved has reached the statutory age of retirement as specified already in the condition of service of the establishment (Akinade, 1993). For instance in Nigeria; the Civil Service rule 2009 chapter 2, S.8 rule 10 states:

i. The compulsory retirement age for all grades in the service shall be by 60 years or 35 years of pensionable service, whichever is earlier;
ii. No officer shall be allowed to remain in service after attaining the retirement age of 60 years or 35 years of pensionable service whichever is earlier.
iii. The provision of (i) and (ii) of this rule is without prejudice to prevailing requirements for judicial officers and academic staff of universities and other tertiary institutions who retire at 70 and 65 years respectively;
iv. Provided the officer would not have attained the retirement age of 60 years or spent 35 years of pensionable service, whichever is earlier:
    a. a director shall compulsorily retire upon serving eight years on the post; and
    b. a permanent secretary shall hold office for a term of four years and renewable for a further term of four years, subject to satisfactory performance, and no more (Public Service Rule, 2009).

Other grounds for compulsory retirement of an employee as identified by Ezeani (2011) includes the under listed:

i. On the advice of properly constituted medical board certifying that the officer is no longer mentally or physically capable of carrying out the functions of his office.
ii. On total or permanent disenablement while in service.
iii. An abolition of his office as a result of re-organisation in the department.

iv. If he is required by the employer to retire on the grounds that his retirement is in the interest of the establishment (Eme & Sam, 2011:3)

Retirement benefits in form of gratuity and pension is the totality of plans procedures, legal and administrative process of securing and setting aside funds designed to meet the social obligation of care which employers owe to their employees on retirement.

Writing on the positive sides of retirement with full benefit, Ngu (2010) stated that, "it gives the aged the opportunity to reserve their energy and at the same time enjoy some regular monetary income" and that it creates vacancies or new jobs for others through promotions or advancement, thus enhancing greater productivity.

2.2.3 The Concept of Implementation

An adopted policy is merely a statement of intentions, expectations, goals, prescriptions, standards and requirements. It is merely a carefully drafted set of exhortations, directions and hopes. Most policies require actions and enforcement activities to put them into effect. Others require the design of programmes and structures to effectuate them (Olaniyi, 2001), only a few are self executing and thus mere adoption and pronouncements achieve some desired effects.

Scholars have different views on the meaning of implementation. Horn and Meter (1975), define implementation as those actions that are directed at the achievement of objectives set forth in prior decisions. While Sharkansky and Meter (1975) view implementation in terms of the entire process of converting general policies into concrete, tangible and meaningful public policies. Thus from the above, we may understand that implementation refers to the processes and activities involved in the application, effectuation, and administering of a policy.

Implementation is the linkage between a formulated policy with its objectives and a concrete, tangible executed policy. It is therefore the major explanation for the failures or success

of public policies and the major problem of public policies. As Robert (1972) noted, the difficulty of administration rather than the nature of the programme have been the major troubles with public policies. Horn and Meter (1975) attributed the abundance of programme failures resulting from the inability to or poor performance in terms of fulfilling or effectuating policy objectives or intentions. The implementation is a very important stage in policy making as it determines whether policies become tangible or concrete.

Implementation involves the committal of funds, the establishment of structures and methods, the hiring of personnel, the administering or execution of activities and the securing of policy goods, services and other intended outcome (Olaniyi, 2001). The policy itself may contain ways and manners of implementation in terms of who participate, or is an actor, the standards, the tools and more importantly the agency that has jurisdiction for the implementation of the policy..

Pressman and Wildavsky (1979) argued that, effective implementation consist of the implementation organization, the environment particularly the political and the economic environment, the policy target group, the policy objectives and the enunciated method of implementation and the policy resources. The critical roles of implementing agencies make consideration of their characteristics, attitudes and capability important to the policy implementation. The size, quality of staff, professional competence and organizational vitality are important determinants of organization capacity to implement policies. The leadership of the agency, political resources as well as the hierarchical control of sub-units and levels of compliance are also of paramount.

Policy standards and objectives have to be identified, clarified, elaborated, operationalised, and communicated to implementers and understood by them if there is to be

successful implementation (Horn and Meter, 1975). The acceptance of the goals and objectives by the implementers enhances co-operation and compliance with the policy and consequently enhances the potential for implementation.

Horn and Meter (1975) further argued that the resources devoted to a policy are critical determinants of implementation success. Policy resources include funds, staff and incentives. Resources devoted facilitate implementation in some ways. Where they are adequate or satisfactory it can enhance positive disposition, compliance and rigorous execution by the implementers. However, most public policy programmes are plagued with gross inadequacies of financial and manpower resources. Inadequate financial base is a major explanation for the policy implementation and poor outcomes of many public policies. They also argued that lack of adequate staff; capable managers and leaders are the major causes of ineffective programmes, poor achievement and policy failure.

Elmore (1978) identified four main ingredients for effective policy implementation:

1. Clearly specified tasks and objectives that accurately reflect the intent of the policy.
2. A management plan that allocates tasks and performance standards to sub-units.
3. An objective means of measuring subunit performance.
4. A system of management controls and social sanctions sufficient to hold subordinates accountable for their performance. Failures of implementation are by definition, lapses of planning, specification and control.

Successful implementation according to Matland cited in Hill and Hupe (2002:75) requires compliance with statutes' directives and goals; achievement of specific success indicators; and improvement in the political climate around a programme.

2.2.4 Concept of Compliance:

Compliance is one important determinants of implementation success. Compliance is either a state of being in accordance with the established guidelines or specifications or the process of becoming so. It is the efforts to ensure that organisation are abiding by both industry regulations and government legislation.

According to Meriam Webster Dictionary, compliance is the act or the process of complying to a desire, proposal, or to coercion. Conformity in fulfilling official requirement, The act of obeying an order, rule or request.

According to Anderson (1975) compliance is the adherence of the implementing agencies, departments and officials to prescribed policy standards, rules, methods, objects and target. This determines whether implementation activity conforms to policy prescriptions and standards or not. The policy is derailed or becomes ineffective when desired actions and standards are not adhered to by those implementing them. Anderson (1975) further argued that, compliance determines whether those whose behaviour, activities and actions, the policy is meant to regulate, control or influence, actually comply with the policy or not. The problems of non-compliance abound in many organizations and may be detected but may be difficult to deal with.

Anderson (1975:105) identified some factors that affect compliance. Compliance is enhanced where implementers see policy directives and standards as legitimate, reasonable and benefiting. It is also enhanced where there are clear-cut penalties or sanctions for non-compliance. Non-compliance among implementers results from three factors. First, is the contrast between the values, beliefs and norms of implementers or other critical groups to which they are sympathetic and those expounded by the policy. Second is ambiguity of policy

objectives, standards, rules and targets. Ambiguities cause confusion and uncertainties and preclude action. Third, is difficulty in applying policy rules, standards and objectives.

This study therefore examined the effects of the implementation of contributory pension scheme on retirement benefits in Kano State with a particular reference to Kano State Pension Trustees. The study examined the effects of employers' and the PFTs' compliance with the established standards, the funding of CPS, and impact of the implementation of CPS on the timely payment of retirement benefits under Kano State contributory pension scheme.

2.2.5 Review of Related Empirical Studies:

Nigeria adapted contributory pension scheme following the enactment of PRA in 2004 where employers and their employees are supposed to pay a certain percentage of the employee's monthly earnings to RSA which they would be drawing their pension benefit after retirement. This is aimed at ensuring effective payment of retirement benefits to retirees as and when due. To ensure effective implementation of the new CPS, empirical studies were conducted by different scholars both academicians and experts in the field. These researchers were geared towards unraveling the myths, investigating the problems associated with the scheme and its long run effects on the national economy.

One of such researches conducted on contributory pension scheme (PRA 2004) in Nigeria was done by Faruk (2012). He conducted study on the effects of the CPS on welfare of retirees from selected federal establishments in Nigeria. Data were collected through questionnaire, interview and non-participant observation. The data were analysed using chi-square alongside tables and percentages. The study discovered that CPS have partially addressed timely payment of benefits, it has also instilled some discipline in the savings habit of the federal public service. In addition, it was also discovered that, there is no complete adherence to rules by

PFAs and finally, fluctuations in the stock markets exacerbates the pensioners fear about the scheme. It is obvious that, CPS is investigated in relation to its effects on the welfare of retirees and inferences were made. However, looking at the CPS and the retirees' welfare in the Federal establishments makes it necessary for another research study that will cover State public service studying the implementation of CPS with a particular reference to compliance, Funding, and the implementation and timely payment of retirement benefits variables.

Pam (2008) also conducted a study on the role of the Nigerian Pension Reform Scheme in capital markets: implications for development. Data were collected and were analyzed using theoretical approach. The findings revealed that, the 2004 pension scheme can be sustained through mobilization of savings for the capital markets that can facilitate accumulation of capital for economic growth and development. This study was criticized for its sole utilization of theoretical approach as a method of Data Analysis without using statistical tools which is a science base mode of research, the findings of his study has no basis for generalization.

Sanni (2012) carried out a study on how to develop effective strategy for pension administration in the Nigerian public sector, a study of Pension Commission Rivers State using a Questionnaire on a sample of 370 respondents. Two hypotheses were tested using simple percentage and chi-square tools. The findings revealed that a non-effective and efficient strategy of pension administration can be likened to poor pension administration and that budgeted income to pensioners is not implemented as at when due. This study is also limited in the sense that, the findings of the study that, non-effective and efficient strategy of pension administration can be likened to poor pension administration is a mere pedestrian finding which below empirical findings.

Nyon and Duze (2011) worked on the Pension Reform Act 2004 and retirement planning in Nigeria. A descriptive survey research design was adapted using questionnaire instrument, using a sample of 3000 serving teachers and teacher-pensioners. The result revealed that the objectives of PRA 2004 were yet to be achieved since retired persons still suffered trauma, pains and even death before they receive their pension packages in Nigeria in which the sustenance of the scheme was questioned.

Fapohunda (2013) conducted a study on the pension system and retirement planning in Nigeria. The study concludes that, there is not much evidence to show that, the pension scheme (CPS) is leading Nigerians to the desired direction. Numerous scandals have trailed the pension scheme and a lot still needs to be done with regards to effective management of the scheme. This study is criticized on the fact that, the study uses data obtained from official publications and data obtained from the internet.

Sule and Ezugwu (2009) made a study on the evaluation of the application of the contributory pension scheme on employee's retirement benefits of quoted firms in Nigeria. The study sample covers 182 firms quoted on the first-tier market of the Nigerian Stock Exchange and 10 quoted firms selected as sample size based on judgmental sampling. The time frame for the study covered 1996-2005. Student's t-test for paired observations was used to analyse the data. The study concludes that even though the application of the CPS has positive impact on employee retirement benefits of quoted firms in Nigeria, there is non-effective monitoring/supervision and enforcement of the provisions of PRA 2004. Though a study was conducted on the application of the contributory pension scheme on employee's retirement benefits, the findings of the study may not be generalized because the study adopted non-

probabilistic sampling method of judgmental sampling technique, instead of using probability sampling technique or both.

Abdullahi (2007) worked on the overview of pension administration in Nigeria set to find out solutions to poor pension administration in Nigeria. The study discovered that, lack of experts at the helm of affairs in some pension organizations have contributed to poor management of pension funds. This study is also criticized because the study used analysis of experts in the field of pension as a basis for analysis which might not give room for generalizations of the findings of the study.

Aja (2014) study an evaluation of the CPS administration in Nigeria, within a 10 year scope (2004-2013). The study used a sample of 381 participants. Data were analysed using chi-square tool at 5% level of significance and 0.05 degree of freedom. SPSS was used to test the hypotheses. The result shows a high level of satisfaction with the time of pension payment, and the extent of pension coverage is still very low. This study evaluated the administration of CPS operating at the federal establishments neglecting the scheme operating at the states and local levels which form the basis for this study.

Ahmad and Oyadiran (2013) focused their study on examining the impact of the 2004 pension policy on the welfare of Nigerian civil servants. The main aim of the study is to examine the impact of the new pension policy and how it improves the living standard of the retired and serving civil servants in Nigeria in some selected federal ministries. Data for the research were collected through questionnaire using random sampling technique on 1500 respondents from the five ministries in Abuja. The analysis was carried out using simple percentage. The findings indicate that, the implementation of the new pension scheme significantly improves the welfare of the civil servants, but does not address the problem of corruption and inadequate budgetary

allocation and therefore, the scheme is not effective in overcoming the problems of retirees in Nigeria.

Oladipo and Fashagba (2012) worked on the evaluation of compliance with the stipulations of the contributory pension scheme of Quasi-government institutions in Nigeria. Interview method was used to obtain data from eleven universities stratified into private, state and federal owned universities. The analysis employed t-test and ANOVA and it was found out that, employers are operating within the stipulated 7.5% Pension contribution. However, descriptive statistics revealed a nominal variability among the employers contrary to the reform. However, this study is only limited to quasi-government institution with out reference to states' institutions. Hence a need to conduct a further study related to the effects of compliance to the CPS, funding of CPS and the implementation strategies of CPS with a particular reference to a funded define contributory scheme operating in Kano State public service.

Chizueze, Nwosu and Agba (2011) conducted a study titled "contributory pension scheme, workers commitment, retention and attitude towards retirement in the Nigerian civil service". The study drew respondents from the federal and state civil services in Calabar metropolis. Five hundred and forty eight (548) participants were sampled and questionnaire was used to elucidate data from the respondents. Data obtained were analysed using Pearson Product Moment Correlation (r). Findings revealed that, contributory pension scheme significantly affects workers commitment to work, retention and attitude towards retirement.

Maiturare, (Sic) conducted a study on retirement benefit under the new pension scheme and the challenges of global financial crisis. The study investigated the extent to which the new pension scheme guarantees a sustained comfortable retirement income to workers over the long-run and how expected benefits compare between the old schemes and the new scheme. A

comparative research design was employed. The result showed that, under varying scenarios, the expected benefits under the New Pension Scheme (CPS) are at best only comparable to the gratuity portion of the old scheme. The findings revealed that while the new pension system may be effective in removing the uncertainty and hassles associated with receiving benefits under the PAYG scheme, benefits under the previous scheme were far more generous to the employees and highly susceptible to financial market forces. However, in this case therefore, the generosity nature of the old pension scheme (PAYG) and the effective removal of uncertainty and difficulties in receiving retirement benefit by the CPS is what motivated the Kano State government toward establishing a hybrid of the two pension scheme with the aim of ensuring highly motivated public servants in the State. Therefore, this calls for a new study in this area to examine the efficiency of the CPS in Kano State or otherwise.

Abdulrouf (2014) assessed the funding and management patterns in the new pension schemes in Nigerian public service. The study sought to find out how the practice of the CPS is servicing the pension challenges of government. A sample of 33 staff comprising academic and non-academic were used. The study used questionnaire techniques to obtain data and chi-square tool was used to analyse the data, using Edward Suchman's evaluative research criteria as a framework. The study revealed that effective implementation of contributory pension scheme in line with the provisions of the PRA 2004 can to a large extend boost the level of public workers confidence on the scheme especially as it relates to them having access to their retirement benefits after retirement from the service. It was also revealed that, notwithstanding the above, there are still cases of some anomalies in the implementation of the scheme thereby causing dissatisfaction among some staff.

From the above reviewed literature on contributory pension scheme in Nigeria and their corresponding empirical studies, it is obvious that, most researches on CPS were geared towards evaluating the impact of the CPS on the welfare of retirees, its impact on the capital market, workers' commitment, retention and attitude towards retirement or comparison of the CPS (DC) with PAYG (DB) schemes on the overall retirement benefits in Nigeria. This tends to limit studies on contributory pension schemes. The pension scheme adopted by Kano state is a combination of some of the elements of both the old PAYG DB Scheme with that of the new CPS DC schemes, which aimed at providing a more generous, robust, sustainable and efficient management of retirement benefits aimed at ensuring continuity in the standard of living of retirees. It is in light of the aforementioned gaps that this study seeks to examine the effects of the implementation of contributory pension scheme on retirement benefits in Kano state, studying Kano State Pension fund trustees from 2007-2015 as earlier mentioned.

2.3 Theoretical Framework

The study adapted systems theory propounded by Easton (1965) as an approach to the analysis of political system. A system is defined as a set of interrelated and interdependent parts arranged in a manner that produces a unified whole (Sapru, 2013). David Easton sees political system as having many different parts but working harmoniously to achieve a specific or some objectives. The policy making process has been regarded as a black box which converts the demands of the society into policies. A government organization does not exist in a vacuum, rather it is a part of a larger system such as the economic system, and the society. Thus the organisation receives inputs, transform them, and export the outputs to the environment. This however can be expanded and developed into a system of operational management and show

how the various input are transformed through the managerial functions of planning, organizing, staffing and controlling (Sapru, 2013:400-401).

Assumptions of the Systems Theory

i. Holism: rather than breaking down analysis of organisations into components, systems theory assumes that, something is to be gained by viewing the organisation as a single entity.

ii. Conversion: systems theory assumes that organisations in their dynamic interaction with their environments, draw resources from the environment, convert these resources inside the system, and provide outputs that impact on the environment.

iii. Negative Entropy: Entropy is a law in thermodynamics which posits that, there will be energy loss in any closed system, and since a closed system has no means of acquiring energy from its environment the system will eventually run down. The open system on the other hand, can import more energy from the environment than it expends, therefore, it can store the energy to escape entropy.

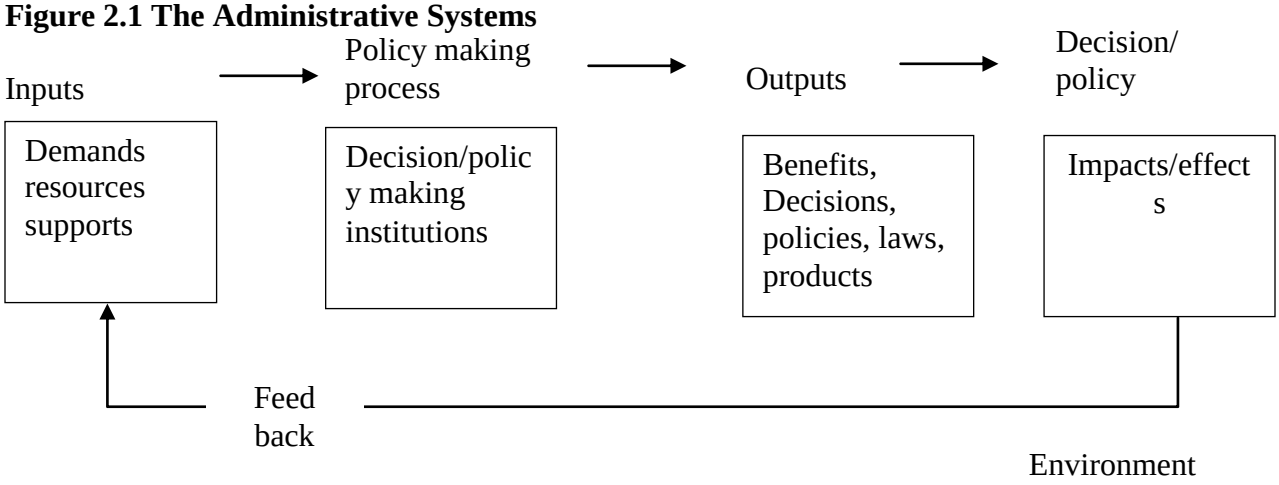
iv. Regulation: systems have the capacity to regulate themselves by adjusting to feedback. This enhances the ability for self regulation and adaption.

v. Differentiation: The open system can cope with the stress and / or change emanating from its environment through differentiation of its structure.

vi. Equifinality: Closed systems are deterministic and predictable. Thus, from any given state, a closed system can only, like clockwork, arrive at a single final state (Lucey, 1997:34).

According to Easton, the political system receives inputs from the environment in the form of demands and supports; it produces outputs in the form of policies and decisions. The outputs flow back to the environment through a feedback mechanisms, giving rise to fresh demands. This can be represented in figure 2.1 below:

Figure 2.1 The Administrative Systems



Source: Sapru, R.K. (2013) Administrative Theories and Management Thought (3rd Edition) Delhi, PHI learning private limited.

Inputs are seen as the physical, social, economic and political products of the environment. They are received in to the political system in the form of both demands and supports. Demands are the claims made on the political system by individuals and groups to change some aspects of the environment. Demands occur when individuals or groups in response to environmental conditions act to affect public policy. Easton characterised demands as the raw materials out of which finished products called decisions or policies are manufactured. He described supports as the energy in the form of actions or orientations enabling the political system to convert the demands into authoritative decisions and policies.

Demands are sub-classified in to four types. (1) demands for allocation of goods and services such as wages and working condition, education opportunities, roads, transport etc. (2) Demands for regulation of behaviour such as the provision of public safety, control over markets, and rules pertaining to health and sanitation etc.(3) Demands for participation in the political system such as the right to vote, to hold office, to petition government bodies and officials etc.(4) demands for communication and information such as affirmation of norms, the information regarding policy intent etc.

To him, supports are also classified into four types. (1) Material support such as payment of taxes and other levies, rendering services in the public interest in the form of social works and military. (2) Obedience to law, rules and regulations. (3) Participatory support such as voting, political discussion etc. (4) Paying attention to governmental communication and respect to public authority, symbols and ceremonies.

The environment is any condition or event defined as external to the boundaries of the political system. Environment comprises of those external elements whose changes in attitudes, behaviour or properties affect the state of the system, and those external elements which are changed by the systems behaviour (Lucey 1997). An open system receives inputs and influences from the environment and in turn passes back output and influences to the environment.

At the heart of the political system are the institutions and personnel for policy making. These include the chief executive, legislators, judges and bureaucrats. In the system's version, they translate inputs into outputs. In other words once an input enters the conversion process it undergoes transformation or refinement which translate to output.

Outputs are the authoritative value allocations of the political system and allocations constitute public policies or policies. The system theory portrays public policy as an output of the political system (Sapru 2013). The outputs are also classified into four categories. (1) Extractions- This may take the form of tributes, taxes or personal services. (2) Regulation of behaviour which may cover wide range of human activities. (3) allocation or distribution of goods and services, opportunities, honours, statutes etc. (4) Symbolic outputs including affirmation of values, display symbols and communication of policy intent. It is the task of the managers to transform the inputs in an effective and efficient manner to produce outputs.

Feedback indicates that, public policies may have a modifying effect on the environment and the demands generated therein may also have an effect upon the character of political system. Policy output may generate new demands and new supports, or withdrawal of the old support for the system. Feedback plays an important role in generating suitable climate for future policy. And finally outcomes are the responses of policy or decision action.

Limits of the Systems Approach to Policy Analysis

The usefulness of the systems theory for the study of public policy is however limited owing to several factors

It has been argued that, this input-output model appears to be too simplistic to serve as a useful aid to understanding the policy making process.

The Estonian theory also ignores an important element of the policy process, namely, that the policy makers (including institutions) have considerable potential in influencing the environment within which they operate. The traditional input-output model would see the decision making system as facilitative and value-free rather than causative i.e. as a completely neutral structure (Cortses, et-al 1974 in Sapru 2013).

Furthermore, it is argued that, both political and bureaucratic elite fashion mass opinion more than the masses shape the leadership's views. The concept of withinput as opposed to inputs has been created to buttress this point. Thus, policy changes may be attributed more to the political and administrative elites' redefinition of their own views than a product of the demands and supports from the environment.

Despite the above weaknesses of the system theory, the approach has been valuable for both theory and practice. It offers the advantage of analysing any problem in the organization in terms of relationship between technical and social variables within the system. It also forces scholars and practitioners in the field to be constantly aware that, one single element,

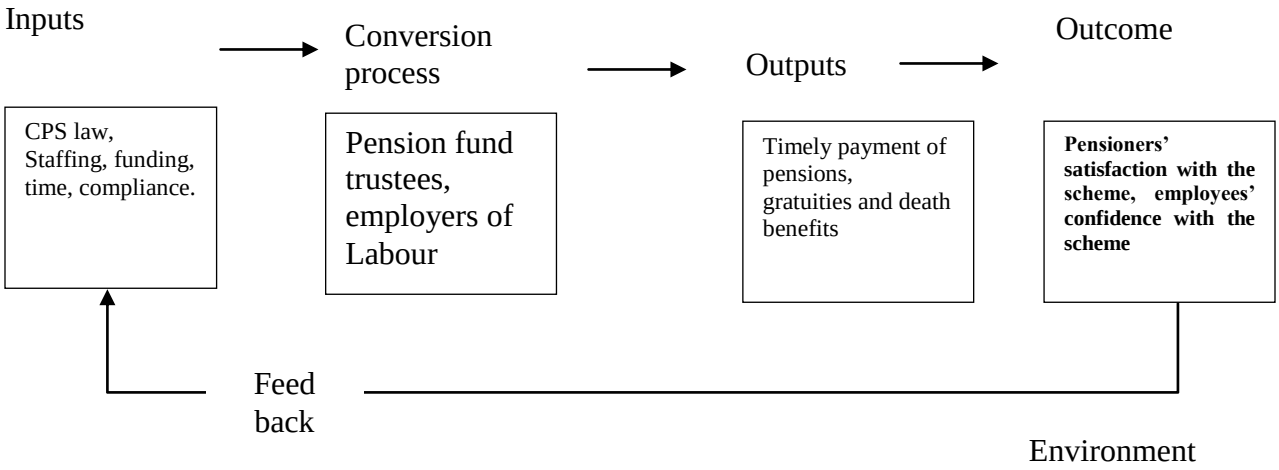
phenomenon or problem should not be treated without regard for its interacting influences with other elements. The systems theory views organization within its environment and emphasizes the importance of multiple channels of interaction. It also recognizes the interdependence of the various activities within the organization.

2.3.1 Applicability of the systems theory to the study

The Kano state Pension Fund Trustees (PFTs) was established by Kano State Government to administer contributory pension scheme in the state.

In a simple term, Kano state pension and gratuity law 2006, funding of the scheme (i.e. 25% of the workers monthly emoluments), staffing the PFT, time and compliance to the contributory pension scheme (CPS) form the inputs; the PFTs and Employers of labour i.e. Ministries, Agencies and Departments (MDAs) form the conversion process. Timely payment of retirement benefits serves as the output. The retirees, the government institutions serve as the environments that influence the system. This situation is better illustrated in the diagram below:

Figure 2.2 The Administrative Systems



Source: Researcher's application of systems theory adapted from Sapru (2013)

Inputs: CPS law 2006, funding, time compliance and the staffing constitute the inputs. They serve as raw materials infused into the system. The staffing serves as the components of the social environment, the CPS law 2006 serves as the components of the political environment and funding constitutes the economic components of the environment while the compliance serves as the legal environment which form the inputs into the system. The CPS law, Staffing and time serve as the demands while compliance serves as the support which enables the scheme to be effective. Funding which is also a crucial raw material is also injected into the system which serves as the lubricant for effective implementation of the CPS which is the whole.

Conversion process: the management of the PFT and the employers (MDAs) are responsible for the implementation of the CPS in Kano State. Their decisions make or mar the entire system. Remittance of pension fund contribution, schedule payment of gratuities and monthly payment of pensions, screening of potential retirees and processing of their benefits, the investment of surplus funds into profitable ventures, serves as the conversion process. Employers remit their monthly contributions and submit files of their potential retirees to the PFT, the PFT process the retirees' benefits, pays pension, gratuities and death benefits which are the basis for effective implementation of the scheme in Kano State.

Output: The outputs of the system constitute timely payment of pensions, gratuities and death benefits. How timely payment (or non-timely), these payments have been in relation to needs and how the living standards of the retirees have been improved provoke fresh demands which are feedback in to the PFT's and employers' administration for necessary action.

Environment: the environment includes the social, economic and the political dynamics of the society. The retirees, the government institutions, Labour unions as well as pressure groups in the state serves as the environment since they produce the inputs, political and socio-

cultural environment affect both the inputs and outputs. These to a large extend determine the effectiveness of the output.

Feedback: Feedback mechanism here means how pensioners, labour unions and the entire society react to output and channel their demands for consideration. PFT get informed of the effectiveness of the scheme through feedback mechanisms and it also creates an avenue for the PFT and MDAs to keep track of their activities.

CHAPTER THREE
RESEARCH METHODOLOGY

3.1 Introduction

This chapter contains the research methodology adopted in the study. It discusses the research design, population and sample size of the study, sampling techniques, methods of data collection, instruments of data collection, and methods of data analysis. It also gave an insight into the statistical instruments used for testing the hypotheses as well as the decision rule.

3.2 Research design

The study adopted survey research design. Survey research design consists of the use of questionnaire and interview methods. This is to allow the researcher systematically collect data from a sample of population through the use of interview and questionnaire for making inferences and drawing conclusions. For the purpose of this study therefore, samples were carefully selected to represent the characteristics of the population and the sample size was chosen using appropriate tools. This provides the researcher with the opportunity to generalize the findings of the study for the whole population.

This research therefore was design to examine the effects of the implementation of contributory pension scheme on retirement benefits in Kano State with a particular reference to Kano State Pension Fund Trustees (KSPFT). The survey research method therefore was used in collecting data from the field as sampled from the research population to determine the validity of our research hypothetical postulations and indeed to explain the effects and or the impact among variables of the study that is compliance (PFT, Government and the Employers' organisations) with the pension law as independent variable (IV) and the payment of retirement benefits (i.e. pensions, gratuities, death benefits and pension arrears) as dependent variable (DV), funding of CPS (i.e. remittance of 25% of workers' monthly emoluments to the PFT, timing of the remittance and its adequacy) as predictor variable or IVand the payment of retirement benefits (i.e. pensions, gratuities, death benefits and pension arrears), and the implementation of CPS as IV and the timely payment of retirement benefits (i.e. regular payment of monthly pensions on or before 30th of every month, payment of gratuity within 3 month after retirement, payment of death benefits within 4 month to the survivors) as the DV.

3.3 Population of the Study

The population for this study consists of: the staff of Kano State Pension Fund Trustees (PFT) and the Pension Union Executives State chapter. The choice of the PFT staff was because they were directly involved and have an in-depth knowledge on the implementation of the CPS in Kano State and its consequential effects on the retirement benefits as the sole organisation responsible for the entire implementation aspect of the scheme. The pension union executives were chosen because the union serves as the voice of the retirees in Kano State and their responses will represent the perceptions of the pensioners/retirees (beneficiaries) in the state. The population of the PFT is 100 staff and the population of union executives is 62 (18 Excos and 1 representatives from the 44 Local Governments in the state). Two organizations; Office of the Head of Service and ministry of education particularly State Universal Education Board (SUBEB) were also selected from among the public organizations to represent the perceptions of the employers of labour in the state. The choice of the office of the Head of Service was based on the fact that, the organisation is solely responsible for the recruitment, discipline and all issues related to workers in the state, and their views will add value to the research work and will represent the views of other public organisations in the state. The choice of SUBEB is justified on the fact that, the organisation has the largest number of staff in the state. Therefore, views from the management of the board will add greater value to this research work. One (1) management staff (DAGS/PDO) from these organisations was chosen for convenience and effective conduct of the study.

Therefore, the population consists of all the staff of Kano State Pension Fund Trustees (KSPFT) and the pensioners' union executives and two staff from two organisations as presented in table 3.1 below:

Table 3.1 Distribution of Population of the Study in to Category

Category of Population	Category of Population	Percentages

PFT staff	100	**61**
Pensioners union Executives	62	**38**
OHS & SUBEB	**2**	**1**
Total	**164**	**100**

Source: KSPFT, 2015, researcher's computation, 2016

3.4 Sample Size

A table paradigm of Krejcie and Morgan (1970) was adapted to select the sample size for the study. The sample size for the population of 164 under Krejcie & Morgan (1970) sample size table for determining sample size for research activities is 118. The proportional distribution of the sample size for each category of respondents is presented in table 3.2 below:

Table 3.2: **Respondents' Distribution base on Sample Size:**

Category	**Size**	**Percentage**
PFT staff	72	61
Pension Union Executives	44	38
OHS & SUBEB	2	1
Total	118	100

Source: field survey by the researcher 2016

The sample size is 118 as presented in table 3.2. From the PFT staff 72 was selected as the sample size, 44 from the Pension Executives (PUE) and 2 from the SUBEB and the OHS. A detail of the relationship between total population and sample size is illustrated in appendix 7.

3.5 Sampling Technique

For the purpose of this study, Stratified sampling technique was used to select the sample from each department based on the proportion of its population size in the organization. Having selected the sample size from each department, a simple random sampling technique of the probability sampling technique was used to select the samples from the various departments. The choice of this technique is basically to avoid bias and it gives every element/member of the population equal and independent chance of being selected, this is to make it more representatives and allow the study to make generalization of the findings on the entire population.

For pensioners union executives' simple random sampling technique was used to select the respondents. Purposive sampling technique of the non-probabilistic sampling method was used to select some management staff in the pension fund trustees who were not issued with questionnaire for the conduct of personal interview. These staffs have access to important information on implementation of CPS and issues surrounding retirement benefits in Kano State. Purposive sampling technique of the non-probabilistic sampling method was also employed in selecting the DAGS/PDOs in the office of the Head of Service and SUBEB for interview to represents the views of the employer organisations these staffs have vital information on remittance of pension fund of their organisations to the PFT and processing of retirement benefits of their respective organisations This is to give the researcher a valid stand for making conclusion based on the findings reached.

3.6 Sources of Data

Data for the study were collected from both primary and the secondary sources details of which is presented below

3.6.1 Primary Sources of Data

The primary sources of data used for the study was through the administration of questionnaire and the conduct of personal interview to elicit respondents' opinion in appreciating the implementation of contributory pension scheme in Kano State, and factors responsible for the success or otherwise of the scheme in Kano State Public service.

Questionnaire Instrument

The questionnaire is structured using closed-ended Likert scale of strongly agree, agree, undecided, disagree and strongly disagree, to recognize the degree of intensity in the respondents' feelings and perceptions (Yusuf, 2009), this is for easy coding; tabulation and subsequent analysis. The Questionnaire was structured containing questions related to the variables of compliance, the funding, implementation and the timely payment of retirement benefits in Kano State.

72 questionnaires were administered to the staffs of KSPFT which contain variables in the three hypotheses and 44 questionnaires were administered to pensioners' union executives which were basically on hypothesis three (3). The justification for this was that, the implementation of the CPS in Kano state is the sole responsibility of the Trustees who served as the administrators of the scheme, custodians of the contributed pension funds, as well as the supervisors and the coordinators of the scheme in Kano State while the pensioners are the beneficiaries of the scheme and their views will add value to the study as it will validate or falsify the PFT staff responses on the timely payment of retirement benefits. A total of 72 questionnaires were administered to the staff of the PFT and 65 questionnaires were successfully filled and returned which served as the basis for analysis. 44 questionnaires were also administered to the pensioners and 40 were successfully filled and returned. This is to give the

researcher the opportunity to extract as much as possible the information available to the respondents.

The choice of PFT staff is informed by the fact that, PFT staffs are in the right position of providing with the adequate information on the implementation of the scheme in the State. The selection of members of pension union leaders is informed by the fact that, tracing retirees with the aim of administering questionnaires is a tedious exercise considering the cost and time to be consumed as such selecting the pensioners union Executives is more convenient and hence will represent their views and above all they are the voice of the pensioners in the state..

Interview Instrument

In order to obtain more information the researcher conducted structured interview by focusing on key individuals who have direct involvement and knowledge of the implementation of CPS in order to complement the questionnaire. Interview was administered on six selected top management staff of the KSPFT who were not given questionnaires as well as some selected two management staff of the employer organisations in the State Universal Basic Education Board (SUBEB) Kano, and the management staff of the office of the Head of service. The choice of management staff is informed by the fact that, that management staff are in the position of providing with the adequate information on the operations of PFT especially as it relates to the routine activities of the implementation of the scheme.

The choice of 6 PFT management staff was made based on the submission of Guest, Bunce & Johnson (2006) where they opined that, studies with a high level homogeneity among the population, a sample of 6 interviews may be sufficient to enable development of meaningful themes and useful interpretations. The choice of 2 management staffs of the employers of labour

was informed by the fact that, SUBEB is an organisation with a larger number of workers and a highest level of non-compliance particularly delay in the submission of retirees files for the computation of benefits among public organisations in the state which lead to delay in the payment of retirees' benefits. while the choice of the office of the head of service was based on the fact that, the organisation is in charge of the entire issues related to staff matters in the state in fact they are the engine room of the state public service as such views from their management staff will add a greater value to this research work especially as it relates to organizations' compliance with the pension and gratuity law 2006.. This is to allow their responses to augment the opinions derived from the questionnaire.

Structured questions seeking further information, clarification, and opinions from six staff comprising of the four Directors who are part of management body of the Board, chairman and the executive secretary of the Board, and 2 staff from SUBEB and the office of the Head of service particularly Director Admin and General Services (DAGS) . This is to validate or debunk the authenticity of some of the data obtained from the questionnaire respondents.

3.6.2 Secondary Source of Data

The secondary sources of data for this research include information from textbooks, journals, newspapers, and internet materials retrieved and reviewed. Others include official publications like Government gazettes and reports from the PFTs and the CPS law 2006, data obtained from the secondary source is critical to this study because most of these documents provide source of evidence to support data from the questionnaire and interview. The secondary sources used were acknowledged accordingly in the references.

3.7 Methods of Data Analysis

The study employs both descriptive and inferential statistical tools of analysis to present and analyse the responses from the questionnaires survey and also to test the hypotheses. First descriptive statistical tools were used for describing and summarizing the data derived from the research questionnaires using tabulation, frequency distribution and percentages. The second method is through the use of inferential statistical tools. This is to enable the study draw inferences on the sampled population of the study. Therefore, Regression analysis was used to measure the degree or level of the effects of independent variable (IV) on the dependent variable (DV) to test the hypotheses. This was based on the fact that, regression analysis predicts the degree of effects of the IV or predictor variable on the DV or criterion variable. Regression Analysis is calculated using the following formula:

$Y = a + bx_1 + e$ where:

y= is the dependent variable

a= is the intercept constant

b= is the regression coefficient

x_1= is the scores of the independent variable one

e= is the degree of error or unaccounted values.

Therefore the decision rule for the regression statistical testing is that, if the calculated p-value is equal or less than the set p- value then the null hypothesis are rejected, and if the calculated p-value is greater than the set p-value then the null hypothesis is retained at $p < 0.05$.

CHAPTER FOUR

HISTORY, STRUCTURE, FUNCTIONS AND THE OPERATIONAL PATTERN OF KANO STATE PENSION FUND TRUSTEES

4.1 Historical Background of Kano State Pension Fund Trustees

Inadequacies of reliable, dynamic and comprehensive modalities in the payment of terminal benefit otherwise known as pension and gratuity to civil servants in ministries and parastatals in Nigeria had right from 1940s continued to elude various governments in the country.

The nagging and persistent state of affairs remained with the pension system up to the early 1970s when the Udoji Civil Service Reforms recommended through the pension reform Act No. 102 of the 1979, a more comprehensive and nationalistic approach to the handling of pension matters by providing with a beautiful package devoid of segregative arrangements, making pension and gratuity rights to all workers irrespective of creed or colour, granted rights of mobility of labour, transformed colonial mentality and above all pensions were granted rights to corresponding increases in pension and gratuity rates within every salary increase. The reform subsisted to witness some drifts and this became apparent in the early 1990s, by the year 2002 alone, the federal government owed an estimated sum of over N2 trillion in such liabilities, and over N8 billion owed by the Kano State government (The servant, 2006).

In that respect, a presidential committee was set up in 1999 by the Obasanjo administration to proffer recommendations on harmonizing the public and private sector pension schemes that could stand the test of time and to be a system devoid of recurring huge liabilities as such burdened some commitments often times subjected our senior citizens to harsh ordeals resulting to penury, mental stress, ill-health or even demise.

One of the salient recommendations of the committee was that, a better system of funding and payment of terminal benefits otherwise known as contributory pension scheme. This proposal was accepted by the federal government due to its worldwide accreditation and the 36 states were equally briefed through their Heads of Service and Secretaries to the government in September, 2003 to appreciate the inadequacies of the existing pension system (Pay-As-You-Go) and the ample advantages of the contributory pension scheme.

The briefing became a watershed as the then Shekarau administration took up the challenge in November, 2003 by constituting a Technical committee under the chairmanship of comrade Mahmud A. Maishanu, the special adviser to the Governor on Labour matters, to come up with a blue print on the applicability of the scheme in Kano State public service.

By December 2003, the Maishanu's Committee submitted an interim Report which it found the federal government scheme wanting and deficient as it affected the state. Some of the issues raised by the committee were:

1. The inability of the federal government to allow states the latitude to evolve independent pension schemes.
2. Contradictions of certain provisions of the scheme with some sections of the 1999 constitution.
3. Tendency of the scheme to encourage investable funds out side the state.

4. Compulsion to obtain life insurance cover to every employee in the scheme contrary to socio-cultural norms and values of the state.

These deficiencies coupled with persistent outcries and condemnations of the contentious issues in the scheme nationwide led to the review of some of the provisions by the federal government. Hence, in June 2004 the Pension Reform Act which excluded States and local governments came into being. By implication, the law granted state and local governments the latitude to evolve independent schemes that were in tune with their norms, values as well as cater for their socio-economic well being.

Barely a month from this development, the Maishanu Technical Committee resumed its assignment albeit with slight modifications in its terms of reference as it was required to be more broader in outlook by articulating a legal framework for the take-off of Kano state pension scheme bearing in mind propositions drawn from data earlier collated as a result of wider consultations and meetings with the stake holders. Consequently, in June 2005, the committee submitted its report to the Head of Service along with the draft law highlights as:

1. That, the pension scheme desirable shall be contributory.
2. The employee who work in the state public service including local governments are part of the scheme and shall receive their benefits as and when due.
3. That the pension and gratuity under the scheme shall be computed on the basis of the total annual emolument of the retiree
4. That, the scheme shall apply to all officers entering the state public service.
5. That, the minimum rates of contributions to the scheme shall be 17% by the employer and 8% by the employee.

6. That the scheme shall address disparities in the pension rates of the existing pensioners through appropriate adjustment or indexing.
7. That the contributory scheme shall incorporate some aspects of the pay-as-you-go.
8. That the scheme shall be managed by a board of Trustees appointed by the state government.

Upon submission of the technical committee' report, the office of the Head of service examined the law draft with a view of streamlining the recommendations therein in line with the government's objectives for an enduring pension scheme. In the same June 2005, the report and the draft law were passed to the government which eventually considered the documents and sent it to the state House of Assembly as a bill. Following debates, the state House of Assembly unanimously resolved to pass it in to law after three consecutive readings. The law christened "Kano State Pension and Gratuity law 2006" was assented by the then state Governor Malam Ibrahim Shekarau on October 17, 2006 equivalent to the Islamic Calendar 1427 After Hijrah and the law came to effect on January 1st 2007. With the following enactments among others:

1. Repeal of the pension and Gratuity law 1990.
2. Repeal of Kano State Pension Board Edict of 1998.
3. Repeal of the local government staff pension Board Edict of 1987.
4. Dissolution of the state and local government staff pension Board and its replacement with the Departments of pension and gratuity to handle the payments of terminal benefits.
5. The commencement of deductions by November 2006.
6. Take off of the scheme by January 2007.

This marked the establishment of Kano State Pension Fund Trustees (KSPFTs) with two departments responsible for the management of state and local government pension matters.

However, the Board was allowed latitude to establish additional departments when the need arises.

4.2 Elements of Contributory Pension Scheme in Kano State

Kano state contributory pension scheme applies to all employees in the state public service (S.4), the scheme operates on the basis of Pay-As–You-Go (S.5). The scheme aims at ensuring that every person who worked in the Kano State Public Service receives his benefits as and when due (S.6). Section 7 (1) of the scheme provides the rate of contribution where it states, "For every fiscal year in which an officer is employed, the Employer and the Employee shall contribute monthly to the scheme an amount equal to a minimum of 25% of the Employee's total emolument, in the following proportion:

a. 17% by the Employer.

b. 8% by the Employee.

S.7 (2) provides that, pursuant to the provision of this section, every Organization classified as employer, shall remit to the Fund, the amount so deducted within seven (7) days from the date of salary payment.

Government contribution to the scheme shall be paid out of the consolidated Revenue Fund, Local Government out of the Local Government Joint Account, and Parastatals out of their subvention or Grant, and foe Employee out of their monthly salary deducted at source (S.8). The scheme is a publicly managed by the KSPFTs established by the law (Part III) which provides for the establishment, membership, tenure of office of the trustees as well as the staffing, remunerations, functions and the powers of the trustees in the administration and the management of the scheme in the State.

Surplus Funds under the scheme are invested with the objectives of safety and maintenance of fair returns on amount invested (S.58). Part v of the pension and gratuity law 2006 made elaborate provisions on how pension funds and Assets shall be invested. Section 59 the law states: subject to guidelines to be issued by the trustees from time to time, pension funds and assets shall be invested in any of the following:

a. bonds, bills, and other securities issued or granted by the Federal, State, Local Government and Central Bank of Nigeria.

b. bonds, debentures, redeemable preference, shares and other debt instruments issued by corporate entities and listed on a Stock Exchange registered under the investment and securities Act 1999.

c. bank deposits and bank securities.

d. units sold by open and investment funds or specialist open end investment funds listed on the stock exchange recognized by the Trustees.

e. Real Estate investment.

f. soft loan to workers through the appropriate organs of the Government for the purpose of housing and transport; and

g. such other instruments as the trustees may from time to time prescribe.

4.2.1 Computation of Benefits under Kano State CPS

An entitlement for Pension and Gratuity for an officer who retires, resign, or withdraws from service shall be in accordance with Table A schedule 1 (Appendix 6):

a. Served up to one year but less than fifteen years, be entitled to gratuity;
b. Served up to fifteen years and above, be entitled to Gratuity and Pension (S.13).

The statutory age of retirement as provided by the scheme shall be attaining the age of sixty years or thirty five years of service which ever comes earlier {S.14 (1)}.

The law made provision for the computation of pension and gratuity. Where an officer retires from the public service of the state and the local government services the payment of Pension and Gratuity shall be computed on:

a. on the total annual emoluments of the retiree, and
b. in accordance with schedule 1 table A (S.11) which shall be seen in appendix 6

In computing the retirement benefits the following information on the retiree are vital:

Date of birth, Date of First Appointment, Date of Confirmation, Rank. Qualification, Experience, Grade Level, Date of Retirement, Annual Emoluments which is based on the existing State Salary Structure.

Gratuities

Workers who had put in at least one year of continuous service are entitled to gratuity worked out according to the formula: $Gn = S + S\times (n-1) \times 0.08$

Pensions

Workers who had put in at least 15 years of continuous service are entitled to pension computed as $Pn = S + S\times (n-1) \times 0.02$

Death Benefits

Death benefit equals all accrued entitlements plus five years' pension which can be expressed as $Dn = Gn + Pn\times 5$

Where n = number of years in service, S = final total emoluments, P = pension, G = gratuity, D = death benefits

It is important to note that, retirement benefits are calculated based on total emolument which is based on the following items: GL/Step, Basic Salary, Rent Subsidy, Transport Allowance, Meal Subsidy and Utility.

Therefore, total emoluments × % = Gratuity; and total emolument × % = Pension

This is depending on the officer's GL/STEP and years of experience for officers on GL.01-14. While those officers on GL 15-17, Domestic allowance is inclusive (KSPGL, 2006). Pension and Gratuity in Kano State is granted under the following circumstances:

a. on the statutory retirement under the provision of section 14 (1);
b. on voluntary retirement after a qualifying service of fifteen years under the provisions of section 16(1) of the law;
c. on compulsory retirement for the purpose of facilitating improvement in the officer's organisation;
d. on the advise of a properly constituted medical Board certifying that the officer is no longer mentally or physically capable of carrying out the functions of his office;
e. on total or permanent disablement of the officer while in service;
f. On abolition of office where an officer could not be redeployed;
g. On the ground that his retirement is in the public interest (S.12).

4.3 Composition and Functions of Kano State Pension Fund Trustees Management Bodies

Section 33 of the Kano State pension and gratuity law 2006 provides for the establishment of the Kano state pension fund Trustees (KSPFTs). It is a body corporate with perpetual succession and common seal, and may sue and be sued. The Trustees may acquire, hold or dispose of any movable or immovable property for the purpose of its functions under the law. KSPFTs is

governed by a governing body of pension scheme known as Pension Trustees, the membership of which include:

1. An executive Chairman who shall be a retired senior civil servant.
2. A representative of the Head of civil service of the state.
3. A representative of the ministry of justice
4. A representative of the ministry of local government
5. Two permanent members to be appointed by the state Governor, one of whom shall be a woman (Commissioner 1 and Commissioner 11).
6. Two representatives of the Nigerian union of pensioners
7. One representative from the state public service Joint Negotiation Council.
8. One representative from NLC Kano state chapter.
9. A secretary who shall be a person not below the rank of a Director who shall be appointed by the Governor.
10. A representative of the state ministry of finance (S.34 of PG LAW 2006).

The appointment of the Chairman and other members of the trustees other than ex-officio members shall be subject to the confirmation by the Kano State House of Assembly (S.34), and shall hold office for four years and may be re-appointed for a further term of four years (S.35).

4.3.1 Functions of the Trustees

Section 40 of the Kano state pension and gratuity law 2006 provide that, the functions of the Trustees shall include:

a. Regulate, monitor and give guidelines for the operations of the scheme.
b. Receive the total monthly contribution remitted by the employers.

c. Cause to be paid retirement benefits to employees in accordance with the provisions of the law by making funds available to the pension departments as and when due.

d. Appoint banks for the pension funds.

e. Approve payment of pension, gratuity, and other retirement benefits to deserving employees.

f. Secure the guidance of experts in the investment of the pension funds.

g. Invest and manage pension funds and assets.

h. Publish its audited account in at least three of the National Dailies which shall include one from the state.

i. Maintain books of account on all transactions relating to pension funds. Managed by it.

j. Receive on regular basis information on investment strategy, market returns and other performance indicators.

k. Request or call for information from any employer, any other person or institution on matters relating to retirement benefit in particular and the scheme in general,

l. Charge and collect such fees as may be specified by the trustees.

m. Investigate any other party or department involved in the management of the pension funds.

n. Conduct periodic sensitization and mobilisation of workers and state government agencies through seminars and other enlightment strategies in order to ensure proper understanding and appreciation of the aims and objectives of the scheme.

o. Ensure that annual reports and audited accounts are submitted to the state Governor not later than six months after the close of every financial year.

p. Maintain a data bank on all pension matters.

q. Advise the Governor on any noticeable lapse in the operation of the pension scheme and recommend appropriate measures.

r. Ensure that monthly returns of all gratuities and pensions are rendered to it by the pension departments.

s. Undertake statistical analysis on investments and returns with respect to the pension funds.

t. Do such other things that are legally acceptable to ensure the efficient performance and functions of the trustees.

The Trustees are expected to hold at least 12 ordinary meetings in every calendar year and the chairman and four other members form the quorum in a trustees meeting to be presided by the chairman and in his absent the members present shall select one of them to act as chairman (S.42).

4.4 Structure and Operational Management of Kano State Pension Fund Trustees

Kano state pension fund trustees is a well structured and organized corporate body with perpetual succession having the corporate entity to sue and be sued, having the right confer on it to acquire or dispose any movable and immovable property by law.

The organisation is headed by an executive chairman as the chief executive and accounting officer with the assistance of permanent member 1 and permanent member II as commissioners I and II, SSA, and the Executive Secretary of the Board.

In order to ensure proper management of the organisation for the achievement of its set objectives, the organisation is composed of four departments (S.49) viz:

1. State pension and Gratuity Department.
2. Local Government Pension and Gratuity Department.

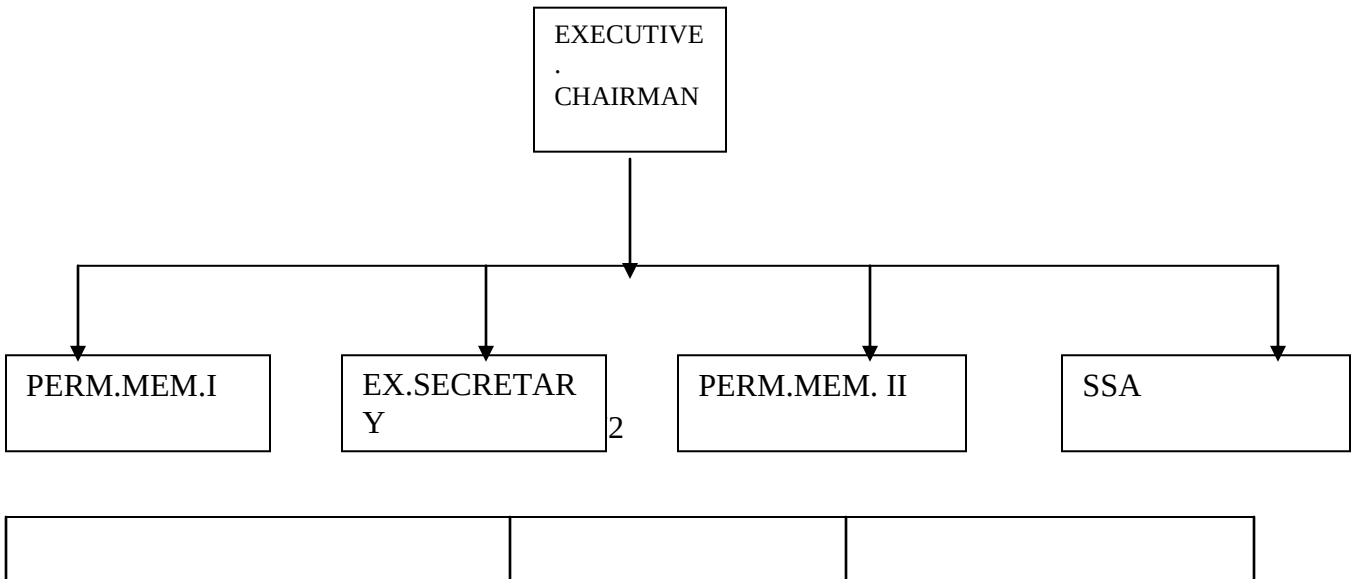
3. Administration and General Services Department.
4. Planning, Research and Statistics Department.

Each and every one of these departments is headed by a director, under him there are heads of units and subunits charged with various duties related to their area of operational jurisdiction.

Figure below clearly shows the organizational structure of the board with a clear chain and line of authority and reporting system as well as downward and upward communication channels for easy operations of the organisation.

The operational pattern of the management of the pension fund trustees refers to the activities of the members of the various departments or units to ensure effective operation of the organisation.

Figure 4.1 Organisational Structures of Kano State Pension Fund Trustees



SOURCE: KSPFTs (2015)

4.4.1 Functions of the State Pension and Gratuity Department

The Department is headed by a Director and carry out its functions as stipulated by the establishing law (S. 50). These functions include:

a. Collect and maintain personal data of all pensioners in the state public service which shall include personal Identity Number (PIN).
b. Process the payment of retirement and terminal benefits of all employees in the state public service.
c. Conduct all calculations in relation to retirement benefits.
d. Perform any other functions as may be assign to it from time to time by the trustees.

4.4.2 Functions of the Local Government Pension and Gratuity Department

The department carries out the following functions:

a. Collect and maintain personal data of all pensioners in the local government service including employees of the primary education (LGEAs).

b. Process the payment of retirement and terminal benefits of all employees in the local government service.

c. Conduct all calculations in relation to retirement benefits of the local government service retirees.

d. Perform any other functions as may be assigned to it from time to time by the trustees.

4.4.3 Functions of the Planning, Research and Statistics Department

a. Planning the board's activities.

b. Preparation of board's budget.

c. Advise on the conduct of activities of the trustees.

d. Collate record and keeping information of the board.

e. Preparation and computerization of the monthly payroll of the trustees.

f. Enrollment of the new retirees in the payroll and deleting the deceased pensioners from the payroll.

g. Screening and verification of pensioners.

h. Supervising and monitoring of the screening exercise.

i. Carry out any other functions as may be assign to it from time to time by the trustees.

4.4.4 Functions of the Administration and General Services Department

a. Carry out general administration of the trustees

b. Keep all documents of financial transactions including finances, expenditure, and payroll of all staff and retirees.

c. It keeps financial and stocks records as well as financial instructions.

d. It is responsible for the investment of the pension funds and receipts of returns from the investment.

e. In charge of collection of remittance from the employers.

f. Carry out internal audit of transactions in the Trustees.

g. Recruitments, appointments, promotions, advancements, posting, transfer and discipline of the staff of the Trustees. It is also concern with the training and development of manpower, performance assessment, leave matters including annual maternity leave for the Trustees' staff.

h. Annual increment of staff salary, medical facilities, personnel audit, protocol, transport matters, and maintenance of good relationship between the board and the community.

In a sense, the department is concerned with the general administration of the organisation and it is headed by a Director Administration and General Services (DAGS).

4.5 Achievements of The Board

Since its establishment in 2006 and the abolition of the state pension board and the local government service pension board, the board has recorded tremendous achievements in the management of the new contributory pension scheme in Kano state. In fact, the board is tagged "the best pension board in Nigeria" and government of various states emulate and copy from the board due to its efficient and effective managerial expertise displayed in the payment of retirement benefits as and when due (Yusuf 2014).

Some of these achievements among others include the following:

1. Payment of monthly pensions to retirees from 15^{th} to 25^{th} of every month.
2. Weekly payment of gratuities to potential retirees enrolled by the board.
3. Enrollment of retirees into the monthly pension payroll immediately after the receipt of their last month' salary without delay while the gratuity is under process.
4. Investment of the contributed fund's surplus in :

a. The purchase of shares.
b. Purchase of house in Abuja.
c. Investment in the health care plan for the pensioners.

5. Automated increase in pension rates in line with every salary increase in the state for instance, when there was a salary increase in the state in 2012 the state increased the rate of monthly pension to a minimum of N5000.00 which has raised the pension rate in the state..
6. Operation of the management of the contributed funds in compliance with the state socio-cultural and economic norms which led to general acceptance of the scheme in the state (Yusuf, 2014).

4.6 Problems and Challenges of the Board

Despite the aforementioned tremendous successful achievements of the Trustees, it faces bedeviling problems that poses challenges to its operations. Some of these problems among other thing include the following:

1. Delay in the remittance of contributed funds by employers such as ministries, Parastatals, and department under the scheme which in some times take some months before it is remitted. This poses a challenge to the board as funds needed for the payment of retirement benefits may be in short of.
2. Non-remittance of expected funds due to the state by the federal government as part of its share for the settlement of retirees benefits is also another problem militating against the effective performance of the Trustees.
3. Delay in the submission of retirees' files within stipulated time by the ministries and local governments for the computation of the retirees' benefits and their enrolment in to the

pension payroll. This is more peculiar to local government retirees which seriously lead to delay in the payment of retirement benefits.

4. Public enlightment and education: public enlightment and educative public programmes on pension matters will enhance the efficiency and effectiveness of the scheme. lack of public enlightment on the merits of the scheme as well as it benefits to all stake holders including the employers lead to skepticism and resistance of some employers from the scheme which lead to delay in remitting their contribution to the board within a stipulated period of time (Yusuf 2014).

CHAPTER FIVE
DATA PRESENTATION AND ANALYSIS

5.1 Introduction

This chapter presents and analyses the data collected through primary sources by the study. It presented, analysed and discussed the data collected through the questionnaire in relation to the hypotheses postulated in chapter one. Data collected are presented in tables and analyzed using frequency counts and percentages, the responses of the interviewees complemented the responses from the questionnaires. The chapter also tests the hypotheses earlier postulated in chapter one using SPSS computer package (Version 20.0) using Regression analysis in order to draw inferences and establish relationship and or degree of magnitude between the dependent or criterion and independent or predictor variables. The decision rule for accepting or rejecting the hypothetical postulations for generalization and conclusion were also discussed, major findings of the study were also discussed.

5.1.1 Rate of Questionnaire Returns

Out of 72 questionnaires distributed to the pension fund trustees, 65 were successfully filled and returned. From the pensioners' side 44 questionnaires were distributed to the pension union executives and 40 were successfully filled and returned and used for the purpose of analysis. The data analysis for hypotheses One and Two was based on the responses from PFT staff only while that of hypothesis Three was based on the total received questionnaires from both PFT staff and pensioners' respondents (105). Data obtained using interviews of the PFT management staff and the employer organisations representatives were used to corroborate the data from the questionnaires. The rate of return of the questionnaires by each category of respondents under study was presented in table 5.1 below.

Table 5.1: Distribution and Return of Questionnaire

Category	Number of Questionnaires Administered	Number of Questionnaires Returned	Percentage of rate of returned on the sample
Pension fund trustees	72	65	62
Pension union executives	44	40	38
Total	**118**	**105**	100

Source: Researcher's computation from field Survey, 2016

Table 5.1 shows the total number of questionnaires distributed and returned. 118 questionnaires were administered, 105 questionnaires were successfully filled and returned which formed 89%. 65 out of 105 questionnaires returned representing 62% were from the staff of Pension Fund Trustees. 40 questionnaires representing 38% were from the pensioners' union executives.

5.3 Data Presentation on Hypothesis One

Analysis of the data collected for hypothesis one which states that, "Compliance with contributory pension scheme law has not significantly affected payment of retirement benefits in Kano State". The data collected were presented and analyzed as follows:

Table 5.2 Ministries, Agencies and Departments (MDAs) remit their mandatory contributions to PFTs' designated bank account within 7 days after the payment of workers' salaries for the payment of retirement benefits.

Response	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly disagree	20	30.8	30.8	30.8
	Disagree	29	44.6	44.6	75.4
	Agree	14	21.5	21.5	96.9
	Strongly agree	2	3.1	3.1	100.0
	Total	65	100.0	100.0	

Source: Researcher's computation, 2016

Table 5. 2. presents responses on the question statement which says that, 'ministries, Agencies and Departments (MDAs) remit their mandatory contributions to PFTs' designated bank account within 7 days after the payment of workers salaries', 20 (30.8%) respondents strongly disagreed, 29 respondents constituting 44.6% of the total respondents disagreed, 14 (21.5%) respondents agreed, 2 (3.0%) strongly agreed. Finding from the majority 49 (79.4%) respondents disagreed that, 'ministries, Agencies and Departments (MDAs) remit their mandatory contributions to PFTs' designated bank account within 7 days after the payment of workers' salaries. Even though 20.6% of the respondents indicate certain level of compliance by MDAs, therefore the rate of compliance in this respect is very minimal as it is expected to be 100 percent.

Complementing these views, responses from the interviews conducted to the staff of PFT, shows that, some organizations like SUBEB regularly remit 8 % workers' contributions while its 17 % employer's contributions are not always forthcoming. in fact, SUBEB has over N4 billion non-remitted funds as debt. This issue is not only limited to the SUBEB but to other organizations like LGAs. Interviews with the MDAs' representatives indicate that, with the current reform in the public service with the introduction of remitter system of deductions and payment in public organisations, remittance of pension contributions are made by the ministry of finance, where employees 8% is deducted at source while, 17% employers' contributions are deducted by the ministry from their subventions.

By law all MDAs are expected to remit 17% of their employees' monthly emoluments as an employer's contribution to the scheme, which is to be used by the PFTs for the payment of retirement benefits to potential retirees or their survivors. However, failure of some of the MDAs to remit their mandatory monthly contributions has led to the accumulation of gratuity debts by the PFTs.

Potential retirees are by law expected to give a 3 month retirement notice or one month notice with the payment of one month salary in lieu of the notice. PFT is expected to process their retirement benefits before the lapse of their notice. Table below presents the respondents' views on whether MDAs submit files of their retirees within stipulated time:

Table 5.3 MDAs duly submit files of potential retirees to the PFTs within the stipulated period of time

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	6	9.2	9.2	9.2
	Disagree	33	50.8	50.8	60.0
	Undecided	7	10.8	10.8	70.8
	Agree	11	16.9	16.9	87.7
	Strongly agree	8	12.3	12.3	100.0
	Total	65	100.0	100.0	

Source: Researcher's computation, 2016

The table 5.3 shows the views of respondents whether PFTs receive files of potential retirees within the stipulated time period. 6 (9.2 %) respondents strongly disagreed that, PFTs receive the files of retirees within a stipulated time period; most of the respondents 33 (50.8 %) disagreed; 7 (10.8 %) respondents were undecided; 11 (16.9 %) agreed; 8 (12.3) respondents strongly agreed. Finding from the majority respondents 39 (60%) disagreed that, PFTs receives files of potential retirees within the stipulated time period.

However, responses from interview responses from the staff of PFT show that, most MDAs submit files of retirees within stipulated period of time. However late submission of

retirees files come from the local government areas and the LGEAs. Employers' of labour interview responses indicates that, ministries submit files of their prospective retirees not later than a month after the submission of retiree's notice of retirement. On the other hand, delays of LGEAs and LGAs in the submission of retirees files is attributed to the prolonged protocol ranging from the LGEAs, SUBEB, and the Ministry for local government, before the submission of retirees files to the PFT.

Table 5.4 Compliance with the CPS law affects payment of retirement benefits in Kano state.

	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	1.5	1.5	1.5
	Disagree	1	1.5	1.5	3
	Undecided	1	1.5	1.5	4.5
	Agree	42	65	65	69.5
	Strongly agree	20	30.8	30.8	100.0
	Total	65	100.0	100.0	

Source: Researcher's computation, 2016

Table 5.4 presents the respondents' views on whether compliance to the CPS Law affects the retirement benefits in Kano state. 42 respondents constituting 65% of the total responses agreed, also 20 (30.8%) respondents agreed. 1 (1.5%) respondent shows not certain i.e undecided, while 2 (3 %) disagreed that, compliance to the CPS law affects retirement benefits in Kano state. Finding revealed that, majority of the responses 62 (95.5%) agreed that, compliance to the CPS law MDAs' remit all their mandatory contributions, PFT's effectively manage retirement benefits) affects payment of retirement benefits in Kano state.

Interviewees' opinions were elicited on whether compliance to the CPS affects retirement benefits in Kano state. The responses from the interviews conducted indicates that, non-compliance by MDA in the remittance of pension contribution and non-compliance to the investment schedules of surplus pension funds seriously undermine the effectiveness of the

scheme. It was asserted that, MDAs are supposed to remit 1.4 Billion Naira to the PFT monthly, but on average PFT receives 600 million Naira to 700 million Naira.

On the other hand, it was also argued that, over N4 billion PFTs' fund were invested in collaboration with Kano State government, Kano State Housing Corporations, and the Kano State Investment and Properties on the construction of Kwankwasiyya, Amana and Bandirawo Estates with the agreement that, profits and loss will be shared 60:40 % with the PFT and the participating parties. PFTs are expected by law to participate and monitor the conduct of the business; this was not adhered to as the investment was solely carried out by government. Towards the end of the previous government's tenure, 296 houses (263 in Bandirawo, 33 in Amana housing Estates), and 32 plots of land (30 in Bandirawo and 2 in Amana Villages) were given to the PFT to cover the initial capital (over N4 billion) issued by PFT in 2011. When such items are computed and sold to the public at the prices given by the government, PFT has a profit of only N1 million as a profit on the business of over N 4 billion. This is a gross violation of the investment guidelines put forward by pension and gratuity law 2006. And above all the same houses were sold by the government to the public at a half price issued to the PFT.

5.4 Data presentation on Hypothesis Two

Analysis of the data collected for hypothesis two which states that, "There is no significant effects of the level of funding of contributory pension scheme on the payment of retirement benefits in Kano State.", the data collected were presented and analyzed as follows:

Table 5.5 poor funding of CPS constitutes major effects on the payment of retirement benefits in Kano state

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Strongly disagree	4	6.2	6.2	6.2
	Disagree	10	15.4	15.4	21.6
	Undecided	7	10.8	10.8	32.4
	Agree	24	36.9	36.9	69.3
	Strongly agree	20	30.7	30.7	100.0
	Total	65	100.0	100.0	

Source: Researcher's computation, 2016

Table 5.5 shows the responses of the respondents where the research sought to find out if poor funding of CPS constitute major effects on the retirement benefits. 4 (6.2%) respondents strongly disagreed, 10 (15.5%) respondents disagreed, while 7 (10.8%) respondents were not certain i.e. undecided. 24 respondents constituting 36.9 agreed, also 20 (30.8%) respondents strongly agreed that, the major problem of retirement benefits in Kano state is informed by poor funding. Finding revealed that, majority respondents 44 (67.6) agreed that, poor funding of CPS is the major effects on the retirement benefits in Kano State.

Complimenting the finding with the interview responses shows that, poor funding of the CPS has led to an accumulated pension liabilities of over 24 billion Naira within the period under review i.e. from 2007-2015. This has crippled the PFT's ability to settle gratuity debts over 4.1 billion Naira from January 2015 to the month of September 2015 leading to untold hardships to the affected retirees in the state.

Table 5.6 Adequacy of 25% of the workers monthly emoluments for financing the payment of retirement benefits in Kano State CPS

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	2	3	3	3
	Disagree	4	6.2	6.2	9.2
	Undecided	5	7.7	7.7	16.9
	Agree	44	67.7	67.7	84.6
	Strongly agree	10	15.4	15.4	100.0
	Total	65	100.0	100.0	

Source: Researcher's computation, 2016

Responses in table 5.6 clearly indicates that, significant number of respondents 54 (83.1%) agreed that, 25% of the workers' monthly emoluments is adequate enough to finance the payment of retirement benefits under Kano state CPS, 6 respondents constituting only 9.2% disagreed, other respondents 5 (7.7%) were undecided. Finding revealed that, majority responses 54 (83.1%) agreed with the adequacy of the 25% of the workers' monthly emoluments in financing contributory pension scheme in Kano state.

Responses from those interviewed were in concord with the questionnaire finding. It was asserted from the interview that, about 1.4 billion Naira is due to be remitted to the PFT's account in every month as 25% of the workers' monthly emoluments in the state public service. While the PFT pays the sum of 750 million Naira monthly as pensions to 11350 Local Government retirees and 15110 retirees from state. By implication, the PFT has a balance of about 650 million monthly as surplus which is used for the payment of gratuities, death benefits and pension arrears.

Table 5.7 Returns from invested surplus pension funds are efficiently used for financing CPS in Kano State.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	1	1.5	1.5	1.5
	Disagree	18	27.7	27.7	29.2
	Undecided	11	16.9	16.9	46.1
	Agree	20	30.8	30.8	76.9
	Strongly agree	15	23.1	23.1	100.0
	Total	65	100.0	100.0	

Source: Researcher's computation, 2016

Table 5.7 shows that, 1 (1.5%) respondent strongly disagreed that, returns from invested surplus pension funds are efficiently used for financing CPS in Kano state. 19 (29.2%) respondents disagreed, while 11 (16.9%) were undecided. 35 respondents constituting 53.9% of total responses agreed. Finding from the majority responses 35 (53.9%) revealed that, PFTs

comply with the existing laws in the investment of surplus funds and returns from invested surplus pension funds are efficiently being used for financing the scheme.

The research also inquired from the interviewees their responses on whether returns from pension fund investments are efficiently being used for financing the scheme. 4 respondents attest that, returns from investments are used to cover the PFT's operational cost, payment of pensions and gratuities and provision of welfare services to retirees in form of health care services, pensioners' cooperative societies etc.

5.5 Data presentation on Hypothesis Three

Analysis of the data collected for hypothesis three which states that, "The implementation of contributory pension scheme has not significantly improved the timely payment of retirement benefits in Kano State", views of the pensioners as to the implementation of CPS and timely payment of retirement benefits is presented from the two sides of the responses, thus, views of the PFT staff and the perception of pensioners respondents. The data collected were presented and analyzed as follows:

PFT Staff Respondents

Table 5.8 Enrollment of potential retirees into the pension payroll not later than a month after retirement.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	9	13.9	13.9	13.9
	Disagree	19	29.2	29.2	43.1
	Agree	30	46.1	46.1	89.2
	Strongly agree	7	10.8	10.8	100.0
	Total	65	100.0	100.0	

Source: Researcher's computation, 2016

Responses in table 5.8. show that, 9 (13.9%) respondents do strongly agreed that, potential retirees are enrolled into the pension payroll not later than a month after retirement, also

19 respondents representing 29.2% of the entire response disagreed to the statement. While 30 respondents representing 46.1% agreed to the statement also 7 (10.8%) strongly agreed to the statement. Finding from the majority respondents 37 (56.9%) agreed that, potential retirees are enrolled into pension payroll not later than a month after retirement. By implication, this means that, once a worker is removed from salary payroll, he is enrolled into pension payroll in the following month and where delay is encountered such delay may not be more than a month.

However, responses from those interviewed show that, workers in the state public service are mostly those that are enrolled into pension payroll in the month following their removal from the salary payroll, due to speedy submission of the retirees' files to the PFT and processing of the benefits. Where the problem lies is with the retirees from Local Governments and Local Government Education Authorities (LGEAs). Interview with the employers of labour shows that, delays in the enrollment of retirees into pension payroll are mostly encountered from the staff of LGEAs and LGAs which according to them stems from two sides. First from the employees themselves, where an employee's file lack the necessary document required for the computation of his benefits, in such a case a delay may be encountered. Secondly, the bureaucratic bottlenecks encountered in processing the retirees' benefits also lead to delay in the process.

Table 5.9 pensioners are paid their monthly pensions on or before 30th of every month under Kano State CPS.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	5	7.7	7.7	7.7
	Disagree	13	20	20	27.7
	Undecided	2	3.1	3	30.7
	Agree	35	53.9	53.9	84.6
	Strongly agree	10	15.4	15.4	100.0
	Total	65	100.0	100.0	

Source: Researcher's computation, 2016

From the table 5.9, (7.7%) respondents strongly disagreed that, pensioners are always paid their monthly pensions on or before 30th of every month, also 13 (20%) respondents disagreed. 2 (3.1%) were not certain i.e. undecided. While larger number of respondents 35 (53.9%) agreed, also 10 constituting 15.3% strongly agreed that, monthly pensions are paid on or before 30th of every month. Therefore, finding revealed that, majority respondents 45 (69.2%) agreed that, the introduction of CPS has led to the payment of pensions on or before 30th of every month.

Complimenting the above finding was the interview session conducted to further elicit reactions in respect to the payment of the monthly pension on or before 30th of every month under the Kano state CPS. Among the 6 people interviewed, all their responses show that, monthly pensions were paid before between 15th and 25th of every month. But, later when the PFT began to experience a shortfall in pension remittance from employers, pensions are mostly paid towards the end of the month and only on few occasions that, pensions are scheduled to be paid before month ends.

Table 5.10 implementation of CPS has improved timely payment of retirement benefits in Kano State.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	6	9.2	9.2	9.2
	Disagree	5	7.7	7.7	16.9
	Undecided	7	10.8	10.8	27.7
	Agree	29	44.6	44.6	72.3
	Strongly agree	18	27.7	27.7	100.0
	Total	65	100.0	100.0	

Source: Researcher's computation, 2016

From table 5.10, 6 (9.2% respondents strongly disagreed that, implementation of CPS has improved timely payment of retirement benefits in Kano State, also, 5 (7.7%) respondents disagreed. where 7 (10.8%) respondents were not certain i.e. undecided. Significant proportion

of the respondents 29 (44.6%) respondents agreed, also, 18 (27.7%) strongly agreed. Finding revealed that, majority respondents 47 (72.3%) agreed that, CPS has improved timely payment of retirement benefits in Kano State.

Complimenting the above finding is conduct of interview, where interviewees expressed their views on whether the implementation of CPS has led to timely payment of retirement benefits. 5 people interviewed out of 6 indicates that, since the introduction of CPS in Kano state, payment of pensions has been regular and timely , while payment of gratuities and death benefits were timely also, but from December 2014 to date it has been in shambles and this cannot be unconnected to the shortfall of finance in the coffers of PFT which hinders the continuity and the sustainability of the PFT's strategy of monthly and weekly schedule payment of gratuities and death benefits to retirees in the state.

Pensioners' Respondents

Table 5.11 Enrolment of retirees into pension payroll not later than a month after retirement.

	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	5	12.5	12.5	12.5
	Disagree	4	10	10	22.5
	Undecided	3	7.5	7.5	30
	Agree	15	37.5	37.5	67.5
	Strongly agree	13	32.5	32.5	100.0
	Total	40	100.0	100.0	

Source: Researcher's computation, 2016

Table 5.11 indicates retirees prompt access to enrollment into pension payroll after retirement. 9 respondents constituting 30% of the total respondents disagreed that, retirees were enrolled into pension payroll not later than a month after retirement. While 28 (70%) respondents agreed that, retirees were enrolled into pension payroll not later than a month after retirement. Finding from majority respondents 28 (70%) revealed that, retirees are enrolled into pension payroll not later than a month after retirement in Kano state.

By implication, the above finding signifies that, though the majority number of respondents attests that, retirees are enrolled into pension payroll not later than a month after retirement while 30% attest otherwise. This means that, not all retirees are opportune to be enrolled into pension payroll owing to some factors like the employees' previous organisation and the speedy of the processing of his benefits. Retirees in the LGEAs and LGAs mostly encounter delays in the submission of their files from their employers' to the PFT for their payment.

Table 5.12 CPS has led to timely payment of gratuities (within 3 months after retirement) in Kano State.

	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	15	37.5	37.5	37.5
	Disagree	8	20	20	57.5
	Undecided	5	12.5	12.5	70
	Agree	7	17.5	17.5	87.5
	Strongly agree	5	12.5	12.5	100.0
	Total	40	100.0	100.0	

Source: Researcher's computation, 2016

Table 5.12 shows the respondents perception on whether CPS has led to timely payment of gratuities in Kano state. 23 respondents constituting 57.5% of the total sample disagreed, while 12 (30%) respondents agreed that, CPS has led to timely payment of gratuities while 5 (12.5%) respondents were not certain (undecided). Finding from the majority respondents 23 (57.5%) revealed that, implementation of CPS has not led to timely payment of gratuities.

The research sorts the interviewees' perception as to the role of CPS on the timely payment of gratuities in Kano state. Responses from the interview show that, previously PFT organises weekly as well as monthly schedule payment of gratuities to potential retirees in the state. Then, most retirees were paid their gratuities within 3 month after retirement. While in the

present time, timely payment of gratuities is not forthcoming since December 2014 which led to the accumulation of gratuity liabilities for over 4.1 billion Naira to that effect.

Table 5.13 Pensioners receive their monthly pension on or before 30th of every month.

	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	5	12.5	12.5	12.5
	Disagree	7	17.5	17.5	30
	Undecided	3	7.5	7.5	37.5
	Agree	10	25	25	62.5
	Strongly agree	15	37.5	37.5	100.0
	Total	40	100.0	100.0	

Source: Researcher's computation, 2016

Table 5.13 presents responses of the respondents on whether pensioners regularly receive monthly pensions on or before 30th of every month in Kano state. 12 (30%) respondents disagreed, but larger number of respondents 25 constituting 62.5% agreed, 3 (7.5%) respondents were undecided. Therefore finding revealed that, majority respondents 25 (62.5%) agreed that monthly pensions are regularly paid on or before 30th of every month.

Corroborating the above finding with interview responses, the responses from the interview shows that, PFT has developed a strategy for the payment of monthly pensions between 15th and 25th of every month and it auger well. But, presently the strategy has failed due to the PFT's shortfall of finances. But, despite this, retirees are paid their pensions before 30th of every month. .

Table 5.14 Timely payment of Death Benefits in Kano state

	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	15	37.5	37.5	37.5
	Disagree	8	20	20	57.5
	undecided	10	25	25	82.5
	Agree	5	12.5	12.5	95
	Strongly agree	2	5	5	100.0

	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	15	37.5	37.5	37.5
	Disagree	8	20	20	57.5
	undecided	10	25	25	82.5
	Agree	5	12.5	12.5	95
	Strongly agree	2	5	5	100.0
	Total	40	100.0	100.0	

Source: Researcher's computation, 2016

From the table significant proportion of respondents 23 constituting 57% disagreed that, CPS has led to timely payment of death benefits in Kano state. 10 respondents constituting 20% were undecided. Where 7 (17.5%) agreed. Finding revealed that, majority respondents disagreed that, CPS has led to timely payment of death benefits to deceased survivors in Kano state.

The primary aim of CPS in Kano state is to ensure that, every person who worked in the Kano state public service receives his benefits as and when due. The table below presents the respondents views in that respect.

Table 5.15 implementation of CPS and timely payment of retirement benefits in Kano State.

	Response	Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly disagree	9	22.5	22.5	22.5
	Disagree	6	15	15	37.5
	undecided	3	7.5	7.5	45
	Agree	17	42.5	42.5	87.5
	Strongly agree	5	12.5	12.5	100.0
	Total	40	100.0	100.0	

Source: Researcher's computation, 2016

Result of the responses from the field on the statement that, implementation of CPS has improved timely payment of retirement benefits in Kano state is presented in table 5.15. The responses indicated that, 9 (22.5%) respondents strongly disagreed. Also, 6 (15%) respondents disagreed. The larger proportion of the respondents 17 (42.5%) agreed. Likewise, 5 (12.5%)

respondents strongly agreed. Therefore finding from majority respondents 22 (55%) respondents agreed that, implementation of CPS has improved timely payment of retirement benefits.

Reactions from interview show that, implementation of CPS has led to timely payment of pensions in Kano state, payment of gratuities and death benefits were also regular and timely. But, from December, 2014 to date, payment of gratuities and death benefits experienced a drawback as a result of inadequate funds in the coffers' of PFT.

5.6 Test of Hypotheses

This section tests the hypotheses postulated to determine its validity using regression analysis for hypotheses one and two and chi-square analysis for hypothesis three which enables the study to determine the magnitude of the effects of independent or predictor variables on the dependent or criterion variable.

5.6.1 Test of Hypothesis One

The null hypothesis (H_1) tested states that: "compliance with contributory pension scheme law has not significantly affected payment of retirement benefits in Kano State". The independent variable is "compliance to contributory pension scheme law` while the dependent variable is `payment of retirement benefits`. The study wants to see how independent variable affects the dependent variable.

For the purpose of performing regression analysis operation on the computer for the hypothesis, responses in table 5.4 for independent variable and responses in table 5.2 for dependent variable were coded in the computer using SPSS package version 20.0 to produce the output presented on table 5.16, 5.17 and 5.18 below:

Table 5.16: Regression **Model Summary**[b] Between compliance with contributory pension scheme law and payment of retirement benefits

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	

1	.676[a]	.457	.448	.51692	.457	52.957	1	63	.000	.289

a. Predictors: (Constant), compliance with CPS law (Independent Variable)

b. Dependent Variable: Payment of retirement benefit (Dependent Variable)

Source: Researcher's computation, 2016

Table 5.17: Regression Coefficients[a] Between compliance with contributory pension scheme law and payment of retirement benefits

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.696	.218		12.347	.000		
	compliance with CPS law (Independent Variable)	537	.074	.676	7.277	.000	1.000	1.000

a. Dependent Variable: Payment of retirement benefit (Dependent Variable)

R =. 676[a] R Square = .457, F = 52.957

Source: Researcher's Computation, 2016.

Table 5.18: ANOVA[a] Between compliance with contributory pension scheme law and payment of retirement benefits

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.151	1	14.151	52.957	.000[b]
	Residual	16.834	63	.267		
	Total	30.985	64			

a. Dependent Variable: Payment of retirement benefit (Dependent Variable)

b. Predictors: (Constant), compliancewith CPS law (Independent Variable)

Source: Researcher's Computation, 2016.

Tables 5.16, 5.17 and 5.18 presented simple regression analysis with compliance with the contributory pension scheme law as independent or predictor variable a long side payment of retirement benefits as dependent or criterion variable. The result shows that a significant regression model was found **(F = 52.957, p < .05)**. The P < 0.05 indicating that compliance with the CPS law has significant effects on payment of retirement benefits, hence, hypothesis which states that compliance with contributory pension scheme law has not significantly affected payment of retirement benefits in Kano State is rejected, thus, alternative hypothesis is therefore accepted and concluded that compliance with contributory pension scheme law has significantly affected payment of retirement benefits in Kano State.

This further proved that, non-compliance with CPS law for instance S. 7(2) remittance of amount deducted within 7 days from the date of salary payment, S.58 and 59 Surplus Funds

under the scheme are invested with the objectives of safety and maintenance of fair returns on amount invested and S.8 by the PFT and employers of labour in Kano State brings about delay in the payment of retirement benefits particularly gratuity and death benefits and this has negatively impacted on pensioners where the study found that, delays in the payment of gratuity and death benefits affects the socio-economic life of pensioners in Kano state. Meaning that, violation of CPS law in the implementation of CPS in Kano State denied the pensioners their legal right in the payment of their retirement benefits as and when due.

5.6.2 Test of Hypothesis Two

The null hypothesis (H_2) tested states that: "There is no significant effects of the funding of contributory pension scheme on the payment of retirement benefits in Kano State.". The independent variable is the funding of contributory pension scheme while the dependent variable is `payment of retirement benefits`. The study wants to see how independent variable affects the dependent variable.

For the purpose of performing regression analysis operation on the computer for the hypothesis, responses in table 5.6 for independent variable and responses in table 5.5 for dependent variable produced the output presented on table 5.19, 5.20 and 5.21 below:

Table 5.19 Regression Model Summary[b] Between of Funding of contributory pension scheme and Payment of retirement benefits

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.816[a]	.665	.660	.80385	.665	125.182	1	63	.000	.213

a. Predictors: (Constant), Funding OF CPS (Independent Variable)
b. Dependent Variable: Payment of retirement benefit (Dependent Variable)

Source: Researcher's Computation, 2016.

Table 5.20: Regression Coefficients[a] Between funding of contributory pension scheme and payment of retirement benefits

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF

1	(Constant)	-.465	.377		-1.235	.221		
	Funding OF CPS (Independent Variable)	1.079	.096	.816	11.188	.000	1.000	1.000

a. Dependent Variable: Payment of retirement benefit (Dependent Variable)

R = .816[a], R-Square = .665 and F = 125.182

Source: Researcher's Computation, 2016..

Table 5.21: ANOVA[a] Between funding of contributory pension scheme and payment of retirement benefits

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	80.890	1	80.890	125.182	.000[b]
	Residual	40.710	63	.646		
	Total	121.600	64			

a. Dependent Variable: Payment of retirement benefit (Dependent Variable)

b. Predictors: (Constant), Funding OF CPS (Independent Variable)

Source: Researcher's Computation, 2016.

Table 5.19, 5.20 and 5.21 presents simple regression analysis with the funding of contributory pension scheme as independent or predictor variable a long side payment of retirement benefits as dependent or criterion variable. The result shows that a significant regression model was found **(F =125.182, p < .05)** The P < 0.05 indicating that funding of CPS has significant effects on payment of retirement benefits, hence, hypothesis which states that "There is no significant effects of the funding of contributory pension scheme on the payment of retirement benefits in Kano State." is rejected, thus, alternative hypothesis is therefore accepted and concluded that "There is significant effects of the funding of contributory pension scheme on the payment of retirement benefits in Kano State.

This further proved that, adequate funding of CPS by the employees and employers will bring about effective payment of retirement benefits to pensioners as and when due, meaning that, poor funding of CPS (delays in the remittance of pension funds, withholding of pension funds, improper investment and poor management of invested surplus funds) leads to delay in the payment of retirement benefits in Kano State.

5.6.3 Test of Hypothesis Three

The null (H_0) tested states that: "The implementation of contributory pension scheme has not significantly improved the timely payment of retirement benefits in Kano State The independent variable is implementation of contributory pension scheme while the dependent variable is timely payment of retirement benefits. The study wants to see how independent variable affects the dependent variable using simple regression analysis.

Table 5.22 Model Summary

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.675[a]	.456	.450	.79205	.456	86.244	1	103	.000

a. Predictors: (Constant), PS_Implementation

b. Dependent Variable: Retirement_benefits

Table 5.23 Anova

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.105	1	54.105	86.244	.000[b]
	Residual	64.616	103	.627		
	Total	118.721	104			

a. Dependent Variable: Retirement_benefits

b. Predictors: (Constant), PS_Implementation

Table 5.24 Coefficients

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.468	.166		8.850	.000
	PS_Implementation	.542	.058	.675	9.287	.000

a. Dependent Variable: Retirement_benefits

From tables 5.22, 5.23, 5.24, a Simple Regression was computed for the impact of the implementation of Contributory Pension Scheme on the timely payment of retirement benefits. A significant Regression model was found in which (F=86.24, P=.000) indicating that, implementation of CPS has significant impact on retirement benefits. Beta Value here means implementation of CPS has significant impacts on timely payment of retirement benefits in such a way that, implementation accounts for **.**542. Every increase of one unit of implementation of CPS will lead to acquisition of 68% of retirement benefits in Kano State. Therefore, Hypothesis which states that, "implementation of CPS has not significantly improved timely payment of retirement benefits in Kano State" is rejected and alternative one accepted and it is concluded that, implementation of CPS has significant impact on retirement benefits in Kano State.

5.7 Discussion of Major Findings

The presentation and analysis of data as well as the test of hypotheses have revealed some significant and fundamental findings on the effects of the implementation of contributory pension scheme on retirement benefits in Kano state specifically as it relates to the effects of compliance with the CPS law on the payment of retirement benefits, funding of contributory pension scheme and its effects on the payment of retirement benefits, and the relationship between implementation of CPS and the timely payment of retirement benefits in Kano state. Thus, the following findings were revealed**:**

1. The test of hypothesis one shows that, compliance with the contributory pension scheme significantly affects the payment of retirement benefits. But, however, the study found that, employer organisations are not complying with the Kano State pension and gratuity law 2006 more particularly in the remittance of monthly pension contributions to the PFT and delay in the

submission of retirees' files. This is more prevalent in LGAs and LGEAs across the state as retirees' files in the ministries and Parastatals are duly submitted to the PFT not later than a month after submission of notice of retirement. The finding relates with the finding of Oladipo and Fashagba (2012) who studied evaluation of compliance with the stipulations of the CPS in Quasi-government institutions in Nigeria whose finding reveals a nominal variability among the employers contrary to the Reform. However, this is in contrast with the finding of Abdulrauf (2014) who studied impact assessment of the 2004 pension reform on retirement welfare of public servants of national commissions and one of his findings revealed that, public organizations are complying with the provisions of the 2004 pension scheme in the course of their implementation which has greatly built a high level of confidence among employees of the federal commissions under studied as to the capacity of the new scheme to provide them with retirement benefits upon retirement from active service.

In contrast however, PFT are complying with the law on the investment of surplus pension funds. But, failure to give the PFTs latitude in the control, coordination and the supervision of their investments has rendered their investments non-profitable and the recovery of some of the initial capital outlay very difficult. This has defeated the investment objectives of ensuring safety and maintenance of fair returns on investments contrary to section 58 and 59 of the law. The finding relates to the findings of Odia and Okoye (2012) that studied pension reform in Nigeria a comparison between the old and new scheme and found that, only proper coordination, supervision and regulation of the pension industry in Nigeria could make the new scheme to happen.

2. It was also discovered that, funding of contributory pension scheme significantly affects the payment of retirement benefits as and when due in Kano state. However, the study found

that, there were instances of withholding of contributed pension funds, non-remittance and delay in remitting the funds due to be remitted to the PFTs which has led to the PFTs' financial incapacitation to pay retirees' gratuities and death benefits from January, 2015 up to the month of September 2015, leading to over N4.1 billion debts owed in such liability. Therefore, it is clear that, withholding and or non-remittance of pension funds by some authorities is a major problem undermining the operations of the PFT in the payment of retirement benefits in Kano State. It was found out that, there were over N23 billion withheld pension funds from MDAs within the period under review. The withholding and or non-remittances cut across the periods under review. From January, 2007 to May 2011 there were over N3 billion non-remitted PFTs' pension funds by the state government, from June, 2011 to May 2015 there were over N19 billion withheld pension funds by the state government, this has amounted to over N23 billion withheld pension funds by state government. This has led to untold hardship to potential retirees as the trustees could no longer pay gratuities from January 2015 to the month of September, 2015.

3. The study also revealed that, implementation of contributory pension scheme has significantly improved timely payment of retirement benefits. However, it was discovered that, payment of monthly pensions to retirees were timely since the introduction of CPS in Kano State as retirees are enrolled into pension payroll immediately they were removed from the salary payroll and that, payment of monthly pensions were regular and timely. However, in contrast, payment of gratuities and death benefits experience a setback especially in the recent times. This is in line with the findings of Faruk (2012) who conducted study on the effects of the CPS in welfare of retirees from selected federal establishments in Nigeria and one of his findings discovered that, CPS have partially addressed timely payment of benefits. .

4. Research findings also revealed that, 25% of workers monthly pension contribution is adequate enough to finance contributory pension scheme in Kano state. On average, 1.4 billion Naira is due to be remitted to the PFT's account in every month as 25% of the workers' monthly emoluments in the state public service. While the PFT pays the sum of N650 million to N750 million Naira monthly as pensions to 11,350 Local Government retirees and 15,110 retirees from state. By implication, the PFT has a balance of over 650 million monthly as surplus which is used for the payment of gratuities, death benefits and pension arrears and the surplus are meant to be invested with the objectives of safety and maintenance of fair returns on amount invested. However, the great disparity between what is expected to be remitted to the PFTs by MDAs and what is actually being received by the trustees monthly, have lead the newly appointed chairman of the PFTs to take adequate measures toward improving the rate of remittance. The chairman's effort has significantly led to an improved employers' compliance in the remittance of the funds due to be remitted to the PFTs. For instance, PFTs usually receives N500 million monthly as MDAs' and employees' contributions, but in the month of June, 2015, N700 million was realised by PFTs, N910 million in the month of July, N1.1 billion was realized by the PFTs in the month of August. It is believed that, when such efforts were to be fully supported by the government within a shortest possible time the problem of non-remittance of pension funds due to PFTs will be a history and retirees in the state will be paid their benefits as and when due.

CHAPTER SIX

SUMMARY, CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

This chapter presented the summary of the study and conclusions reached based on the study findings. It also contains recommendations offered by the study aimed at enhancing the effective implementation of the contributory pension scheme for effective payment of retirement benefits in Kano state.

6.2 Summary

The Central objective of this study has been to find out whether the implementation of CPS has addressed the problem of delay in the payment of retirement benefits to retirees in Kano State, along the line determining whether compliance and funding of CPS have significantly affected the payment of retirement benefits as and when due. On this note, this study was able to

discover that, though the payment of monthly pensions to retirees in Kano State has being improved significantly and retirees in the state are enrolled into pension payroll immediately they were removed from the salary payroll as a result of the implementation of CPS, but there are still some lingering problems stemming from the issues of non-compliance by some organisations to remit their mandatory monthly pension contributions to PFT and delay in the submission of retirees files and computation of their benefits, and government excessive interference in the operations of the PFT on the independent power granted to the PFT by the law in the implementation of the scheme which have affected the successful attainment of the objective of the scheme.

Worthy of note in this study, is the success recorded by the present administration of the PFT in addressing the problem of non-compliance by employer organisations in the remittance of monthly pension contributions and this have raised the level of remittance of monthly pension contributions from Five Hundred million Naira (N500,000,000.00) monthly in the month of May,2015 to one billion one hundred million Naira (N1.1 billion) in the month of August, 2015, this tempo must be sustained and supported by the government, staff of the PFT, employer organisations and the pension union in the state and the entire community.

As earlier highlighted by this study by adopting the systems theory of Eaton (1965), the Kano State pension and gratuity law 2006 as a means of addressing the problems of implementation of CPS towards payment of retirement benefits in Kano state, inputs in form of funding, compliance with the law, staffing and time are put into conversion process by the PFT, output is sent to the environment in form of timely payment of pensions, gratuities and death benefits leading to pensioners satisfaction with the scheme. The theory must have conform to all the issues required towards effective implementation of the scheme, but have not addressed all

the issues required for the effective implementation of the scheme towards payment of retirement benefits as and due.

6.3 Conclusion

This dissertation is coming at a time when vices in the implementation of contributory pension scheme in Kano state have risen, due to rising level of non-compliance with the established guiding principles, delay/non-remittance of pension funds and excessive government interference in the operations of the scheme which had led to PFTs' inability to pay gratuities and death benefits for several months leading to an accumulated pension liabilities of over N4.1 billion in such liabilities, when the PFTs supposed to have a surplus pension funds/assets of over N23 Billion in its account. This had affected the payment of retirement benefits as and when due in the state, which had placed the lives of our senior citizens in an untold hardship.

After the review of various literature and analysis of data generated for the purpose of inference, the study arrived at certain fundamental findings on the effects of the implementation of CPS on retirement benefits so far, and suggestions were made that, some levels of success have being made, but there are certain lapses present in the system that hinders the effective implementation of the scheme in Kano state. such as non-compliance by organisations termed as employers of labour in the remittance of monthly pension contribution, delay in the submission of retirees' files, withholding of pension funds by some authorities, and failure to give the PFT a free latitude to operate. If these are not carefully addressed they will continue to negate the effective implementation of the scheme in Kano State.

6.5 Recommendations

Sequel to the findings of this study and the conclusion drawn above, the following recommendations were offered for effective implementation of CPS in Kano state:

1. For proper compliance, any act of non-compliance with the KSPGL 2006 by MDAs should immediately be reported to the Executive Governor for appropriate disciplinary actions against such organisations and where such actions are not forthcoming the PFT should take the issue to an appropriate court for legal action as provided by the law. Where there is excessive government interference in the operations of the PFTs, the Pension Union state chapter should expose such cases to Anti-Corrupt Practices Commissions for intervention. This will ensure full compliance by the government, MDAs and the PFT for effective implementation of the scheme and hence the payment of retirement benefits in Kano State.
2. To ensure timely payment of gratuities and death benefits PFT must ensure effective implementation of the penalties provided by the Pension and Gratuity Law 2006 on non-compliers, misappropriations of PFTs' funds and investment/assets, regardless of their position, status, affiliation or origin.
3. Conducive and enabling environment shoul be created by the government for smooth implementation of the scheme particularly in the areas of investment of the pension funds/assets, and full remittance of contributions to the PFTs. For timely processing of retirees' retirement benefits PFTs must ensure that, qualified staff are recruited and posted to every government organisation operating under the scheme as Pension Desk Officers particularly LGA' and LGEAs
4. The recent efforts by the Chairman of the PFTs aimed at emancipating the Trustees from the previous irregularities and excessive non-compliance by MDAs through ensuring improved rate of remittance of contributions by all MDAs should be intensified and fully supported by the government, MDAs and state chapter of the pensioners' union

REFERENCES

Abdullahi, Y. (2007). Pension Administration in Nigeria: An Overview.. *The Nigerian Journal of Administrative Studies.* Vol. 5 No. 2- April, 2007:1-14

Adams, R.A. (2005). *Public Sector Accounting and Finance*, Lagos, Corporate Publisher Ventures

Adebayo, Y.K. (2006), *Essentials of Human Resource Management*, Benin City: Weliscops services.

Agba, A.M.O., Ikoh, M.U., Ushie, E.M. & Agba, M.S. (2008). Bureaucratic Corruption in Nigeria: The Need for Institutional Reforms. *Journal of International Politics and Development Studies,4 (1&2), 187-204.*

Ahmad, M. K. (2007). "Contributory Pension Scheme as Instrument for Liability Controls for the States: Issues and Prospects". A Paper presented at the First Nigeria Governors Retreat held at the International Conference Centre Abuja Oct. 23- Oct. 28.

Ahmed, T. D. & Oyadiran, P, A. (2013). An Analysis of the Impact of The 2004 Pension Policy on the Welfare of the Nigerian Civil Servants: A Case Study of Selected Federal Ministries. *Global Journal of Human Resource Management Vol.1, No. 4*, pp.20-55, December 2013 Published by European Centre for Research Training and Development UK. Available in www.ea-journals.org/wp on 20th April, 2015.

Aitken, W. H. (1994). *A Problem Ssolving Approaching to Pension Funding and Valuation.* Waterloo, Ontario: ACTEX Publication.

Ajayi, R. B. (2000). *Research Methods and Statistical Analyses.* Ilorin, University of Ilorin press.

Aja. O. O. (2014). An Evaluation of the Contributory Pension Scheme Administration in Nigeria: 2003-2013 *A seminar paper* presented to the Department of Public Administration Ahmadu Bello University, Zaria on July, 2014

Akeredolu, J. A. (2002). *Management of Pension Scheme in the Public Sector: A case study of Obafemi Awolowo University*, Master of Business Administration Dissertation Obafem Awolowo University, Ile-Ife (Unpublished)

Amujiri B.A (2009). "The New Contributory Pension Scheme in Nigeria: A Critical Assessment, *NJPALG*, Vol. XIV No.1, Pp.137 – 152.

Anderson, E.J. (1975), *Public Policy Making*. NewYork, Preager publishers.

Athley, R.C. (1980), *The Sociology of Retirement:* Cambridge Mass. Shankman Publishing Company Inc.

Ayegba, O. James, I. & Odoh, L. (2013). Evaluation of Pension Administration in Nigeria. *British Journal of Arts and Social Sciences ISSN: 2046-9578, Vol.15 No.II (2013)* Pp. 97-

108 British Journal Publishing, Inc Retrieved from .http://www.bjournal.co.uk/BJASS.aspx on 19/4/2015

Baker, A. J., Logue, D. E., & Rader, J. S. (2005).*Managing pension and retirement plans: A guide for employers, administrators, and other fiduciaries*. Oxford: Oxford University Press.

Balogun, A. (2006), "Understanding the New Pension Reform Act (PRA, 2004)," *CBN Bulletin*, Vol.3, No.2, (April – June), Pp.7 – 18.

Booth, P. & Chadburn, R. (2005). *Modern Actuarial Theory and Practice*. Chapman & Hall/

Campbell, J. Y. & Feldstein, M. (2001), Risk Aspects of Investment- Based Social Security Reforms, *NBER*

Chizueze, C.. I. Nwosu, U. W., & Agba, A.M.O. (2011) Contributory Pension Scheme, Workers Commitment, Retention and Attitude towards Retirement in The Nigerian Civil Service *Global Journal of Management and Business Research* Volume XI Issue IV Version I Global Journals Inc. (US). Retrieved from www.globaljournal.org on 19/4/2015

Contributory Pension Scheme Problems and Prospect Retrieved from www.ui.educ.com on 7th September, 2015

Compliance meanings Retrieved from www.meriamwebsterdictionary.com/compliance. on 15th December 2015.

Daily Times, Wednesday, September 17, 1997 cited in Rahila, B.K. (2005), An Evaluation of the Administration of Retirement Benefits in the public Service: A Case Study of the Nigerian Railway Corporation Northern zone.being An MPA Project submitted to the Department of Public Administration Ahmadu Bello University, Zaria,.

Daily Times, Tuesday,, September 9, 1997 in Rahila, B.K. (2005), *An Evaluation of the Administration of Retirement Benefits in the public Service: A Case Study of the Nigerian Railway Corporation Northern zone*. Being An MPA Project submitted to the Department of Public Administration Ahmadu Bello University, Zaria (unpublished)..

Demaki, G. O. (2006). *The significance of the Pension Reform Act (PRA) 2004 on retirement planning in Nigeria*. Educational Reconstruction. 1(1): 97-100.

Derfman, M. S. (1998). *Introduction to Risk Management and Iinsurance.* New Jersey: Prentice hall

Dhameji, S.K. & Dhameji, S. (2009), *Industrial Psychology*, New Delhi: S.K. Kataria and Sons.

Disney, R.F. & Whitehouse, E.R. (1994), Choice of Private Pension and Pension Benefits in Britain, Institute for Fiscal Studies Working Paper No. 94/2.

Duze CO (2005). The Production Theory in Education. *The Nigerian Academic Forum.* 8 (2): 11-16.

Dye, T. (1972), *Understanding Public Policy*. Eagle wood Cliffs, prentice Hall Inc.

Editorial, (2009). Nigeria: The Fear of Retirement Analysis. Daily Trust 5 October, 2009.Onlineavailableat:http://allafrica.com/stories/200910050546.html. Retrieved September,2010.

Elmore (1978) in Raj, N.P. (2009), A critical Account of Policy Implementation Theories: Status and Consideration in *Nepolese Journal of Public Policy and Governance* Vol. xxv NO.2 Dec.2009. Retrieved from www.sipg.pactuedu.ng/system/files/journ..

Eme, O. I. & Sam, C. U. (*2011).* The Laws and Administration of Retirement in Nigeria: A Historical Approach *Kuwait Chapter of Arabian Journal of Business and Management Review Vol. 1, No.2; October 2011 (P1-10)*

Eme, O. I., Uche, O. A. & Uche, I. B. *(2014)*. Pension Reform Act 2014 and The Future of Pension Administration in Nigeria *Arabian Journal of Business and Management Review (OMAN Chapter) Vol. 4, No.2; September, 2014 (156-165)*

Fapohunda, T. M. (2013). The Pension System and Retirement Planning in Nigeria Department of Industrial Relations and Public Administration Lagos State University Ojo. Nigeria. Retrieved from www.academia.edu/4596691 on 21st April, 2015.

Faruk, A. (2012): *Effects of the Contributory Pension Scheme on Welfare of Retiree from Selected Federal Establishments in Nigeria*; Being a PhD Research Thesis Submitted for the Award of Doctor of Philosophy in Public Administration, A.B.U., Zaria (unpublished).

Federal Government of Nigeria (2014), *Pension Reform Act 2004,* Abuja: National Assembly.

Federal Republic of Nigeria (1999) *Constitution of the Federal Republic of Nigeria 1999.* Federal Government Press.

Federal Republic of Nigeria: *Public Service Rules* (2009) and *Pension Reform Act* (2004)

Flippo, E.B. (1980). *Personnel Management* (5th ed.). Tokyo: McGraw-Hill International Book Co.

Funding definitions Retrieved from www.businessdictionery.com/funding. on 27/4/2016

Gbitse, B. (2008). *Pension Fund Administration in Nigeria*. Abuja, Pen & pages Printers Ltd.

Goode, R. (1993). Defining and Protecting the Pension Promise. *Journal of the Institute of Actuaries*, 121(1), 161-177.

Guest, G., Bunce, A., & Johnson, L. (2006), How many interviews are Enough. Doi: 10.1177/1525822x05279903. vol. 18 No. 1 59-82. Retrieved on 10th September, 2015.

Holzmann, R. M. O. & Rutkowski, M. (Eds). (2003). *Pension Reform in Europe: Process and Progress.* Washington DC: The World Bank.

Ifeanyi, P. O. (2010): Social Policy and the Retrenchment of Welfare State in Nigeria: Between the Old and New Pension Scheme and Lessons from the Nordic Models; Department of Sociology, University of Ibadan. Retrieved from www.cccg.umontreal.ca/Rc19 on 21st April, 2015.

Ilesanmi, L.A. (2006). Contributory Pension Scheme in Nigeria: Philosophy, Objectives, Features and Implementation. *A paper presented at the Ihsam International Workshop*.

Isah, A. (2014), Assessment of the Funding and Management patterns in the new Pension Scheme in the Nigerian Public Service. *A seminar paper* presented to the Department of Public Administration Ahmadu Bello University, Zaria on February, 2014

Kano state government in N3b pension fund mess (it is political witch hunt) www.freevoiceradio.com/news. Retrieved on 6th September, 2015.

Kano state Pension and Gratuity Law 2007, K.S. Law No. 1 of 2007. *Kano State of Nigeria Gazette.* Printed and published by the Government printers, Government printing press Kano 009/0107/500.

Kano State Pension Fund Trustees staff list June, 2015.

Kantudu, A. S. (2005), Effect of Profitability and Total Assets on the Funded Status of Pension Assets of Quoted Firms in Nigeria. Retrieved on April 20, 2008 from http://ssrn.com/abstract=1104845

Kantudu, A.S. (2006). Impact of Pension Reform Act 2004 on Compliance with Accounting Standards on Employee Retirement Benefits in Nigeria, available at http://ssrn.com/absrtact=1106462

Kerlinger, F. N. (1973), *Foundations of Behavioral Research.* Second Edition. New York, Holt Rinehart and Winston Inc.

Kolawole, O. (2003), Pension Reforms: An African Perspective. Paper Presented at the World Bank Regional Course on Pension and Pensions Reforms in Sub-Saharan Africa. Auckland Park, South Africa February 24-28.

Krejcie, R. V. & Morgan, D.W. (1970), Determining Sample Size For a Finite Population. Retrieved from www.kenpro.org/sample-size-determining on 30th July, 2015.

Lindbloom, C.(1959), *The Science of Muddling Through: Public Administration Review* Spring in Olaniyi, J.O. (2001): Foundations of Public Policy Analysis; Ibadan. Sunad publishers Ltd.pp 38-39

Lucey, T.(1997) *Management Information Systems* (8th Edition) London, Lretts Educational Aldikne Place.

Maiturare, M.N. (sic), Retirement Benefits under the Pension Scheme and the challenges of Global Financial Crisis. A paper, in the Department of Business Administration Ahmadu Bello University, Zaria.

Mahmud, M. S. (sic). Pension Administration In Kano State: The Best Practice. *A seminar paper presented at the workshop on pension stakeholders organized by the Kano office of the Head of Service at the state House of Assembly.*

Mann, D. (1975). *Policy Decision Making in Education: An Introduction to Calculation and Control.* New York, Teachers College Press in Olaniyi, J.O. (2001): Foundations of Public Policy Analysis; Ibadan. Sunad publishers Ltd.

McGill, D. M. (1984). *Fundamentals of Private Pensions, (*5th ed). Homewood, Irwin.

Momoh, A. & Idomen, A. (2008): Rationale for Pension Reform in Nigeria; *Business Day* May 05 NASB (2010): Statement of Accounting Standard 8: Accounting for Retirement Benefit

Muller, K. (2003), The Making of Pension Privatization in Latin America and Eastern Europe" , in Holzmann, R., M. Orenstein, & Rutkowski M. (eds). (2003). Pension Reform in Europe: Process and Progress. Washington DC: The World Bank, pp. 47 – 78.

Murtala, M..K. (2015), Kwankwaso's aide alleges N20b Kano pensions fund missing. *The Guardian News,* Friday, May 8, 2015. Retrieved from www.ngrguardiannews.com on 6th July 2015.

Ngu, S.M. (2005). *Research Methodology Made Simple for Social and Behavioural Sciences;* Shereef Salam Press, Zaria.

Ngu, S.M. (2006). *Policy Analysis and Policy Issues;* Shereef Salam Press; Zaria.

Ngu, S.M. (2010). *Personnel Management In Nigeria:: principles and Practice.* Zaria Ahmadu Bello University press Limited.

Ngu, S.M. (2014). *Development Administration: A theoretical and Pragmatic Disposition.* Zaria, ABU Press Ltd.

Nigerian Accounting Standard Board (1991*), Statement of Accounting 8 (Accounting for Employees' Retirement Benefits*

Nigerian Punch, 19th August, 20003:2 in Rahila, B.K. (2005), An Evaluation of the Administration of Retirement Benefits in the public Service: A Case Study of the Nigerian Railway Corporation Northern zone. Being An MPA Project submitted to the Department of Public Administration Ahmadu Bello University, Zaria,.

Nnanta, N. E., Okoh, C. I, & Ugwu, C. S, (2011). Implications of the New Pension Reform for Social Security Planning In The Local Government *Arabian Journal of Business and*

*Management Review Vol. 1, No.4; November 2011*19 (P19-27) .Retrieved from www.arabianjbmr.com on 21st April, 2015.

Nwajagu, C.I. (2007). "Procedure for Processing of Retirement Benefits and Computation. An Unpublished Seminar Paper Submitted to the Department of Public Administration and Local Government, University of Nigeria, Nsukka.

Nyong B. C.1 & Duze C. O. (2011). The Pension Reform Act (PRA) 2004 and retirement planning in Nigeria *Journal of Economics and International Finance* Vol. 3(2), pp.109-115, February 2011 Available online at http://www.academicjournals.org/JEIF ISSN 2006-9812 ©2011 Academic Journals

Odia, J.O. & Okoye, A. E**.** (2012), Pensions Reform in Nigeria: A Comparison Between The Old And New Scheme *Afro Asian Journal of Social Sciences.* Volume 3, No. 3.1 Quarter I ISSN: 2229 – 53131 (P1-17). Retrieved from www.onlineresearchjournals.com/onjss/art/807 on 20th April, 2015

Odiakose, M. (2015), Kwankwaso from the hunter to the hunted. *The Nigerian pilot news* of July, 5th 2015. Retrieved from www.nigerianpilot.com on 19/11/2015

Odoh, A.**(1995),** *Research Methodology: An introduction.* 2nd Edition (unpublished).

Ogunbameru, O. & Bamiwuye, S. (2004). Attitude towards Retirement and Pre-retirement Education among Nigerian Bank Workers. Education Gerontology, 30 (5), 391-401.

Okotoni, O. & Akeredolu, A. (2005), Management of Pension Scheme in the Public Sector in Nigeria. Retrieved March 14, 2008 from http://unpan1.un.org/intradoc/groups/public/documents/AAPAM/UNPA NO26996.pdf. Retrieved on 10/04/2015

Oladipo, J. A., Fashagba, M. O. & Akindele, J. A. (2011). An Evaluation of the Impact of Employers on the Contributory Pension Scheme in Nigeria. *Lapai International Journal of Management and Social Sciences. 4, 1*

Oladipo, J. A., & Fashagba, M. O. (2011). Employees' Satisfaction with Pension Schemes before and after 2004 Pension Reform in Nigeria. *LIJOMASS*, 4(2), 287-298.

Oladipo, J. A. & Fashagba, M. O. (2012). Evaluation of Compliance with the Stipulations of the Contributory Pension Scheme: A Case Study of Quasi-Government Institutions in Nigeria *An International Multidisciplinary Journal, Ethiopia* (Pp.59-75) *Vol. 6 (4), Serial No. 27, October, 2012* ISSN 1994-9057 ISSN 2070—0083. Retrieved from www./afrrevjo.net/journals/multidisciplinary. Vol.6_No._4_art_5_Oladipo on 21st April, 2015

Olaniyi, J.O. (2001): *Foundations of Public Policy Analysis; Ibadan.* Sunad Publishers Ltd.

Olanrewaju, E. A. (2011), the Pension Reform Act 2004 and Wellbeing of Nigerian Retirees: A Sociological Evaluation of Its Provisions. *International Journal of Humanities and Social Science Vol. 1 No. 21 Special Issue - December 2011 (*315-325)

Omoresemi, A.A.(1987), *Retirement: A Real Transition.* Kano, Abibas Education Services Publications.

Oreagba, F. (2006): Capital Market Reforms: The Nigerian Experience; A paper presented at the *ASEA Conference* from 17-20th September, 2006.

Orewa, G.O & Adewumi J.B. (1983). *Local Government in Nigeria, the Changing Scene.* Benin City: Ethiopia Publishing Corporation.

Oshiomole (2009) "The Inevitability Of The Contributory Pension System: Opportunities And Challenges" Paper Presented at the National Conference on the Review of the Implementation of the Pension Reform, Jointly Organized by The Senate Committee on

Establishment and Public Service, the House of Representatives Committee on Pensions and the National Pension Commission, 19-20 May, at the , Transcorp Hilton Hotel, Abuja.

Ozor, E. (2006), "Review of Factors that Slow Down the Processing of Retirement Benefits," A Paper Presented at the Workshop Organized by the Institute of Chartered Secretaries and Administration of Nigeria, Held at Modotel Enugu, between 14th and 16th May 2006.

Pam, P. A. (2008), the Role of the Nigerian Pension Reform Scheme In Capital Markets: Implications For Development. *The Nigerian Journal of Administrative Studies.Ahmadu Bello University Zaria* Vol. 6 No. 1 January, 2008.

Pension Reform Act (2004). *The Pension Reform Act 2004.* Federal Republic of Nigeria

Pressman, J. C. & Wildavsky, A. (1979), *Implementation*. Berkeley, University of California press. In Olaniyi, J.O. (2001): Foundations of Public Policy Analysis; Ibadan.sunad publishers Ltd.

P.M. News Thursday, September 4, 1997 in Rahila, B.K. (2005), An Evaluation of the Administration of Retirement Benefits in the public Service: A Case Study of the Nigerian Railway Corporation Northern zone. Being An MPA Project submitted to the Department of Public Administration Ahmadu Bello University, Zaria,

Rabelo, M. F. (2002), *Comparative Regulation of private pension plans*. Retrieved March 20, 2008 from http://www.oecd.org/dataoecd.pdf

Robert, L. (1972), Public Planning: Failure and Redirection. New York. Basic Books. In Olaniyi, J.O. (2001): *Foundations of Public Policy Analysis*; Ibadan.sunad publishers Ltd.

Sani, A. D. G. (2015), Press Brief on Kano State Pension Matters aired on Abubakar Rimi Television (ARTV) Kano and Freedom Radio Kano on 30/10/2015:08:00PM-09:00PM

Sanni, U. S. (2012): Developing Effective Strategy For Pension Administration In The Nigerian Public Sector: A Study Of Pension Commission Rivers State. Caritas University, Amorji Nike, Enugu. Bsc. project.

Sapru, R.K. (2013) *Administrative Theories and Management Thought* (3rd Edition). Delhi, PHI learning private limited.

Sharkansky, I. & Van Meter, D. (1975), *Policy and Policies In American Governments.* New York, Mc Grow Hill Book co. in Olaniyi, J.O. (2001): Foundations of Public Policy Analysis; Ibadan.sunad publishers Ltd.

Skipper, H. D. & Kwon, W. J. (2007). *Risk management and insurance perspective in a global economy*. Blackwell Publishing.

Standing, G. (1996). *Social Protection in Central and Eastern Europe: A Tale of Slipping Anchors and Torn Safety Nets:. Welfare States in Transition.. National Adaptations in Global Economies.* Ed. G. Esping-Andersen. Thousand Oaks, CA: Sage Publications.

Sule, K. O. & Ezugwu, C. I. (2009). Evaluation of The Application Of The Contributory Pension Scheme on Employee Retirement Benefits of Quoted Firms in Nigeria. *African Journal of Accounting, Economics, Finance and Banking Research*, Vol *4 No.4, 47-60* .Retrieved from www.globip.com/articles on 19th April, 2015.

The servant: A Kano State Civil Service news magazine, vol.5 No.10 December, 2006 (Dhulhaj, 1427 A.H.)

Ugwu D.S. (2006). "Contributory Pension: A New Approach to Financing Pension Scheme in Nigeria". A paper presented at Seminar Organized by Mokasha.

Van Horn, C. & Van Meter, D. (1975), *The Policy Implementation Process, A Conceptual Framework, Administration and Society.* Vol. 6 No.4 February 1975 in Olaniyi, J.O. (2001): *Foundations of Public Policy Analysis*; Ibadan.sunad publishers Ltd.

Van Horne, J. E. (2002). *Financial Management and Policy.* Prentice – Hall of India Limited.

World Bank (1994) *Averting the Old Age Crisis Policies to Protect the Old and Promote Growth,* Oxford University Press, Oxford.www.pointblanknews.com. Retrieved on 6th September, 2015.

Yusuf, B. (2014), *Assessment of Administrative Constraints of Contributory Pension Policy In Nigeria: A Study Of Kano State Pension Fund Trustees*. Bsc. Project, Ahmadu Bello University, Zaria. (Unpublished).

Yusuf, H.A. (2009), *An Evaluation of the Role of Leadership in Crisis Management in the Nigerian University System with Special Reference to Ahmadu Bello University (ABU)* 1999-2008. PhD Dissertation (unpublished).

Appendix 1

QUESTIONNAIRE FOR STAFF RESPONDENTS

Department of Public Administration,
Faculty of Administration,
Ahmadu Bello University,
Zaria.
2nd October, 2015.

Dear Respondent,

I am an MSc student in the Department of Public Administration, Ahmadu Bello University, Zaria, undertaking a research on the topic

*"**Assessments of the effects of the Implementation of Contributory Pension Scheme on Retirement Benefits in Kano State: A Study of Kano State Pension Fund Trustees"***

I will be grateful if you can fill the attached questionnaire. Your personal and objective views will be highly appreciated and valued. Please be rest assured that all information provided by you would be used purely for academic purpose and shall be treated with absolute confidentiality.

Thanks for anticipated cooperation.
Yours faithfully,
Signed.
Bashir Yusuf

Researcher

An overview of compliance with Contributory Pension Scheme law and retirement benefits:

Please tick and fill as appropriate your responses for the under listed items: ( )

1. Ministries, Agencies and Departments (MDAs) remit all their monthly mandatory contributions to the pension fund trustees' designated bank account within 7 days after the payment of workers' salary.

   a. Strongly agree ( )

   b. Agree ( )

   c. Undecided ( )

   d. Disagree ( )

   e. Strongly disagree ( )

2. MDAs duly submit files of potential retirees to the PFT within the stipulated period of time.
   a. Strongly agree ( )
   b. Agree ( )

   c. Undecided ( )

   d. Disagree ( )

   e. Strongly disagree ( )

3. Compliance with contributory pension scheme law (MDAs' duly remit all their mandatory contributions, PFTs' effectively manage retirement benefits, and proper investment of surplus pension funds) affects retirement benefits in Kano state?

   a. Strongly agree ( )

   b. Agree ( )

   c. Undecided ( )

   d. Disagree ( )

   e. Strongly disagree ( )

Level of funding of contributory pension scheme and payment retirement benefits in Kano state

1. Poor funding of contributory pension scheme in Kano state constitute mjor effects on the retirement benefits.

a. Strongly agree ( )

b. Agree ( )

c. Undecided ( )

d. Disagree ( )

e. Strongly disagree ( )

2. 25% of the employee's monthly emoluments is adequate enough to finance the payment of retirement benefits under the Kano state contributory pension scheme.

a. Strongly agree ( )

b. Agree ( )

c. Undecided ( )

d. Disagree ( )

e. Strongly disagree ( )

3. Returns from invested surplus funds are efficiently used for financing contributory pension scheme in Kano State

a. Strongly agree ( )

b. Agree ( )

c. Undecided ( )

d. Disagree ( )

e. Strongly disagree ( )

Implementation of Contributory pension scheme and Timely Payment of Retirement Benefits

1. Potential retirees were enrolled into the pension payroll not later than a month after the lapse of their retirement notice.

a. Strongly agree ( )

b. Agree ( )

c. Undecided ( )

d. Disagree ( )

e. Strongly disagree ( )

2. Pensioner are always paid their monthly pensions on or before 30th of every month since the introduction of Contributory pension scheme in Kano State

   a. Strongly agree ( )
   b. Agree ( )
   c. Undecided ( )
   d. Disagree ( )
   e. Strongly disagree ( )

3. Implementation of contributory pension scheme has improved timely payment of retirement benefits in Kano state?

   a. Strongly agree ( )
   b. Agree ( )
   c. Undecided ( )
   d. Disagree ( )
   e. Strongly disagree ( )

Thank you very much for making out time to attend to the questionnaire.

Appendix 2

QUESTIONNAIRE FOR PENSIONER RESPONDENTS

Department of Public Administration,
Faculty of Administration,
Ahmadu Bello University,
Zaria.
2nd October, 2015.

Dear Respondent,

I am an MSc student in the Department of Public Administration, Ahmadu Bello University, Zaria, undertaking a research on the topic

*"**Assessments of the effects of the Implementation of Contributory Pension Scheme on Retirement Benefits in Kano State: A Study of Kano State Pension Fund Trustees"***

I will be grateful if you can fill the attached questionnaire. Your personal and objective views will be highly appreciated and valued. Please be rest assured that all information provided by you would be used purely for academic purpose and shall be treated with absolute confidentiality.

Thanks for anticipated cooperation.
Yours faithfully,
Signed.
Bashir Yusuf
Researcher

Overview of the Implementation of Contributory Pension Scheme and Timely Payment of Retirement Benefits in Kano State

1. You were enrolled into the pension payroll not later than a month after the lapse of your retirement notice.
   a. Strongly agree ( )
   b. Agree ( )
   c. Undecided ( )
   d. Disagree ( )
   e. Strongly disagree ( )
2. Contributory pension scheme has led to timely payment of gratuities (within 3 month after retirement) in Kano state?
   a. Strongly agree ( )
   b. Agree ( )
   c. Undecided ( )
   d. Disagree ( )
   e. Strongly disagree ( )
3. As a pensioner you always receive your monthly pension on or before 30^{th} of every month as a result of Contributory pension scheme in Kano State

a. Strongly agree ( )

b. Agree ( )

c. Undecided ( )

d. Disagree ( )

e. Strongly disagree ( )

4. Payment of death benefits to the deceased survivors has been timely (within 4 month after the officer's death) since the introduction of contributory pension scheme in Kano State.

   a. strongly Agree ( )

   b. Agree ( )

   c. Undecided ( )

   d. Disagree ( )

   e. Strongly disagree ( )

5. Implementation of contributory pension scheme has improved timely payment of retirement benefits in Kano state?

   a. Strongly agree ( )

   b. Agree ( )

   c. Undecided ( )

   d. Disagree ( )

   e. Strongly disagree ( )

Appendix 3

INTERVIEW SCHEDULE FOR STAFF OF PENSION FUNDTRUSTEES:

1. my name is Bashir Yusuf a research (MSc) student undertaking a research on the assessment of the effects of the implementation of contributory pension scheme on retirement benefits in Kano state, a study of Kano state pension fund trustees (2007-2015), and would like to seek your opinion on issues underlining the funding, compliance to the established laws and the timely payment of retirement benefits in Kano state, sir.

2. Do you agree that, compliance to the contributory pension scheme (MDAs' duly remit all their mandatory contributions, PFTs' effectively manage retirement benefits, and proper investment of surplus pension funds) affects retirement benefits in Kano state?

3. Do you agree that, ministries, Agencies and Departments (MDAs) remit all their mandatory monthly pension contributions to the PFT within 7 days after the payment of workers salaries?

4. Do you agree that, MDAs duly submit files of potential retirees to the PFT within the stipulated period of time?

5. How much pension contributions (funds) are due to be remitted to the PFTs monthly and how much is remitted to the PFT monthly (average)?

6. Do you agree that, the investment of surplus pension funds is strictly being carried out in accordance with the stipulated guidelines?

7. Do you agree that, Poor funding of contributory pension scheme in Kano state constitute major effects on the retirement benefits.

8. Do you agree that, 25% of the employee's monthly emoluments is adequate enough to finance the payment of retirement benefits under the Kano state contributory pension scheme?

9. Do you agree that, Pensioner are always paid their monthly pensions on or before 30^{th} of every month since the introduction of Contributory pension scheme in Kano State?

10. Do you agree that, Implementation of contributory pension scheme has improved timely payment of retirement benefits (enrollment of retirees in to pension payroll not later than a month after retirement, gratuities paid not later than 3 month after retirement, payment of death benefits not later than 4 month) in Kano state?

Thank you very much once again Sir, for making out time to attend to the questions.

Appendix 4
INTERVIEW SCHEDULE FOR EMPLOYERS' RESPONDENTS

SECTION A
PERSONAL DATA

1. Date of the interview……..
2. Organization of the respondent……..
3. Rank…….

SECTION B

1. Has your organisation being remitting its counterpart pension contributions to the pension fund trustees regularly as a result of the introduction of contributory pension scheme in Kano State?
2. Does your organisation remits its monthly pension funds contribution to the PFT's designated bank account within 7 days after the payment of workers salary?
3. Does your organisation submit files of potential retirees and process their benefits within the stipulated period of time?

APPENDIX 5

Scale of Benefits under 1979 Act

Years of Qualifying Service	Gratuity as of % of Final Total Emoluments	Pensions % of Final Total Emoluments
5	40	
6	48	
7	56	
8	64	
9	72	
10	100	30

11	108	32
12	116	34
13	124	36
14	132	38
15	140	40
16	148	42
17	156	44
18	164	46
19	172	48
20	180	50
21	188	52
22	196	54
23	204	56
24	212	58
25	220	60
26	228	62
27	236	64
28	244	66
29	252	68
30	260	70
31	268	72
32	276	74
33	284	76
34	292	78
35	300	80

Source: Gbitse (2008:10)

APPENDIX 6
COMPUTATION OF RETIREMENT BENEFITS FORMULA FOR CALCULATION OF PENSION AND GRATUITY BENEFITS IN RESPECT OF RETIRED PUBLIC SERVANTS IN KANO STATE BETWEEN 2006 TO DATE.
REVIEW OF PENSION AND GRATUITY RATE
SCHEDULE 1
TABLE A

Years of Qualifying Service	Gratuity as of %	Pensions %
1	8	-
2	16	-
3	24	-
4	32	-
5	40	-
6	48	-
7	56	-

8	64	-
9	72	-
10	100	-
11	108	-
12	116	-
13	124	-
14	132	-
15	140	60
16	148	62
17	156	64
18	164	66
19	172	68
20	180	70
21	188	72
22	196	74
23	204	76
24	212	78
25	220	80
26	228	82
27	236	84
28	244	86
29	252	88
30	260	90
31	268	92
32	276	94
33	284	96
34	292	98
35	300	100

Source: Kano State Pension and Gratuity law 2006

APPENDIX 7

KREJCIE AND MORGAN SAMPLE SIZE TABLE

DETERMINING SAMPLE SIZE FOR RESEARCH ACTIVITIES

ROBERT V. KREJCIE
University of Minnesota, Duluth
DARYLE W. MORGAN
Texas A. & M. University

The ever increasing demand for research has created a need for an efficient method of determining the sample size needed to be representative of a given population. In the article "Small Sample Techniques," the research division of the National Education Association has published a formula for determining sample size. Regrettably a table has not bee available for ready, easy reference which could have been constructed using the following formula.

$s = X\,2NP(1-P) \div d\,2\,(N-1) + X\,2P(1-P)$.

s = required sample size.

$X2$ = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.
P = the population proportion (assumed to be .50 since this would provide the maximum sample size).
d = the degree of accuracy expressed as a proportion (.05).
No calculations are needed to use Table 1. For example, one may wish to know the sample size required to be representative of the opinions of 9000 high school teachers relative to merit pay increases. To obtain the required sample size enter Table 1 at N = 9000. The sample size representative of the teachers in this example is 368. Table 1 is applicable to any defined population.
The relationship between sample size and total population is illustrated in Figure 1. It should be noted that as the population increases the sample size increases at a diminishing rate and remains relatively constant at slightly more than 380 cases.
TABLE 1

Table for Determining Sample Size from a Given Population

N	*S*	*N*	*S*	*N*	*S*
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357

100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* - is population size. *S* - is sample size.
Source:www.kenpro.org/sample-size-determining

Appendix 8

Regression

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	14.151	1	14.151	52.957	.000[b]
	Residual	16.834	63	.267		
	Total	30.985	64			

a. Dependent Variable: Payment of retirement benefit (Dependent Variable)

b. Predictors: (Constant), Compliance with CPS law (Independent Variable)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.676[a]	.457	.448	.51692	.457	52.957	1	63	.000	.289

a. Predictors: (Constant), Compliance with CPS law (Independent Variable)

b. Dependent Variable: Payment of retirement benefit (Dependent Variable)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2.696	.218		12.347	.000		
	Compliance with CPS law (Independent Variable)	.537	.074	.676	7.277	.000	1.000	1.000

a. Dependent Variable: Payment of retirement benefit (Dependent Variable)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.816[a]	.665	.660	.80385	.665	125.182	1	63	.000	.213

a. Predictors: (Constant), Funding OF CPS (Independent Variable)

b. Dependent Variable: Payment of retirement benefit (Dependent Variable)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	80.890	1	80.890	125.182	.000[b]
	Residual	40.710	63	.646		
	Total	121.600	64			

a. Dependent Variable: Payment of retirement benefit (Dependent Variable)

b. Predictors: (Constant), Funding OF CPS (Independent Variable)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-.465	.377		-1.235	.221		
	Funding OF CPS (Independent Variable)	1.079	.096	.816	11.188	.000	1.000	1.000

a. Dependent Variable: Payment of retirement benefit (Dependent Variable)

```
GET
  FILE='C:\Users\BASHIR\Desktop\Data Set.sav'.
DATASET NAME DataSet1 WINDOW=FRONT.
COMPUTE PS_Implementation=MEAN(Q3,Q8).
EXECUTE.
COMPUTE Retirement_benefits=MEAN(Q1,Q2,Q4,Q5,Q7).
EXECUTE.
REGRESSION
  /DESCRIPTIVES MEAN STDDEV CORR SIG N
  /MISSING LISTWISE
  /STATISTICS COEFF OUTS R ANOVA CHANGE
  /CRITERIA=PIN(.05) POUT(.10)
  /NOORIGIN
  /DEPENDENT Retirement_benefits
  /METHOD=ENTER PS_Implementation
  /SCATTERPLOT=(*ZRESID ,Retirement_benefits)
  /RESIDUALS NORMPROB(ZRESID)
  /SAVE MAHAL.
```

Regression

Notes

Output Created		12-NOV-2016 15:24:53
Comments		
Input	Data	C:\Users\BASHIR\Desktop\Data Set.sav
	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	105
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on cases with no missing values for any variable used.

Syntax		REGRESSION /DESCRIPTIVES MEAN STDDEV CORR SIG N /MISSING LISTWISE /STATISTICS COEFF OUTS R ANOVA CHANGE /CRITERIA=PIN(.05) POUT(.10) /NOORIGIN /DEPENDENT Retirement_benefits /METHOD=ENTER PS_Implementation /SCATTERPLOT=(*ZRESID ,Retirement_benefits) /RESIDUALS NORMPROB(ZRESID) /SAVE MAHAL.	
Resources	Processor Time		00:00:03.70
	Elapsed Time		00:00:04.92
	Memory Required	1556 bytes	
	Additional Memory Required for Residual Plots	568 bytes	
Variables Created or Modified	MAH_1	Mahalanobis Distance	

[DataSet1] C:\Users\BASHIR\Desktop\Data Set.sav

Descriptive Statistics

	Mean	Std. Deviation	N
Retirement_benefits	2.8302	1.06843	105
PS_Implementation	2.5143	1.33095	105

Correlations

		Retirement_benefits	PS_Implementation
Pearson Correlation	Retirement_benefits	1.000	.675
	PS_Implementation	.675	1.000
Sig. (1-tailed)	Retirement_benefits	.	.000
	PS_Implementation	.000	.

N	Retirement_benefits	105	105
	PS_Implementation	105	105

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	PS_Implementation[b]	.	Enter

a. Dependent Variable: Retirement_benefits

b. All requested variables entered.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.675[a]	.456	.450	.79205	.456	86.244	1	103	.000

a. Predictors: (Constant), PS_Implementation

b. Dependent Variable: Retirement_benefits

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.105	1	54.105	86.244	.000[b]
	Residual	64.616	103	.627		
	Total	118.721	104			

a. Dependent Variable: Retirement_benefits

b. Predictors: (Constant), PS_Implementation

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.468	.166		8.850	.000

PS_Implementation	.542	.058	.675	9.287	.000

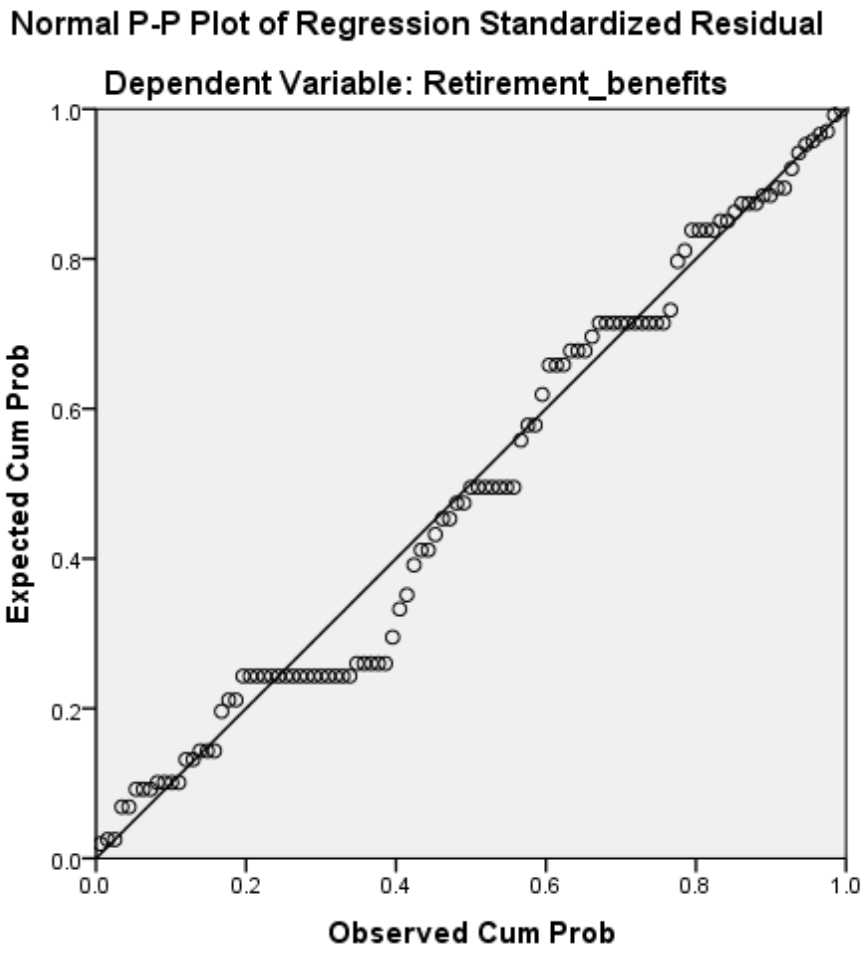
a. Dependent Variable: Retirement_benefits

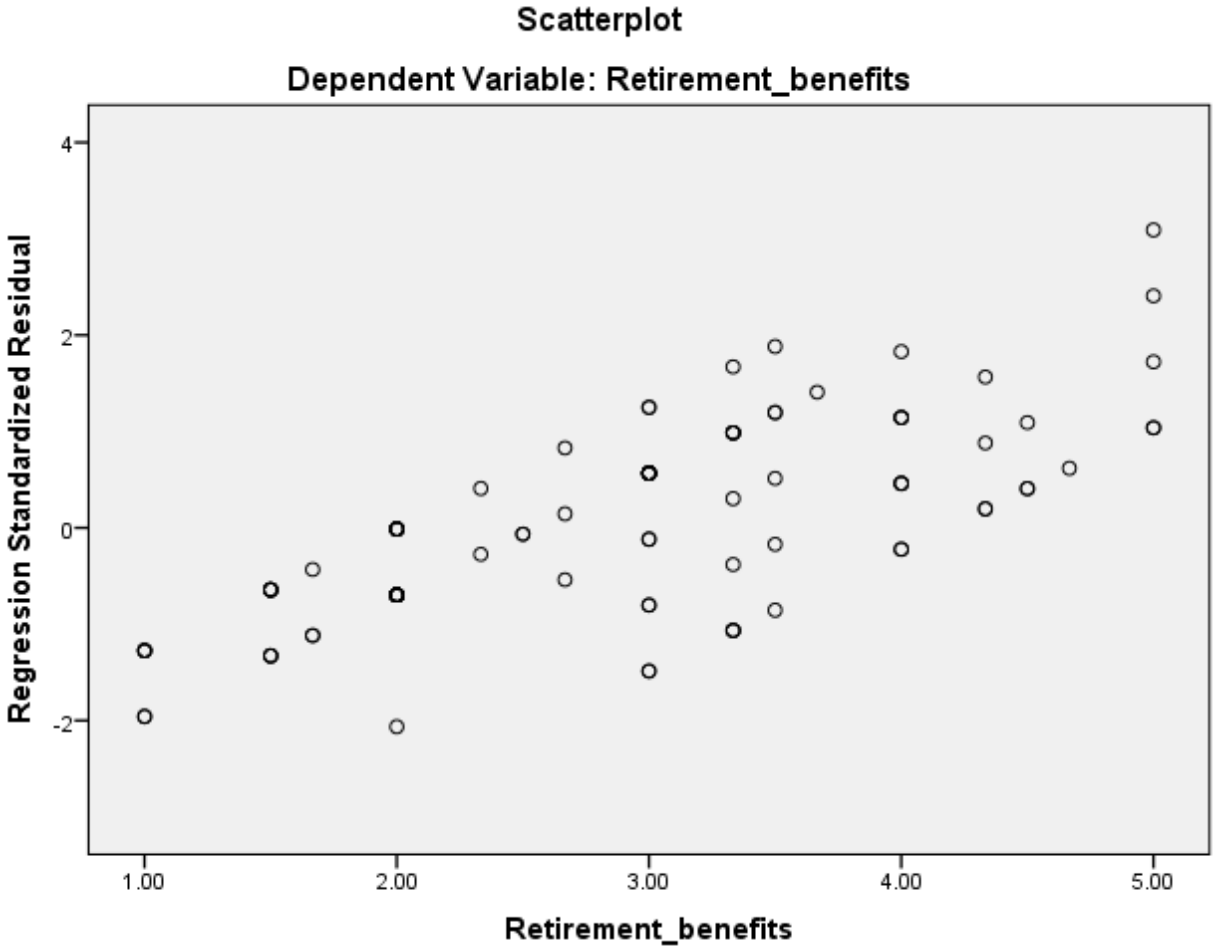
Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.0095	4.1772	2.8302	.72128	105
Std. Predicted Value	-1.138	1.868	.000	1.000	105
Standard Error of Predicted Value	.082	.164	.106	.029	105
Adjusted Predicted Value	1.9760	4.2302	2.8311	.72296	105
Residual	-1.63530	2.44855	.00000	.78823	105
Std. Residual	-2.065	3.091	.000	.995	105
Stud. Residual	-2.087	3.108	-.001	1.004	105
Deleted Residual	-1.67125	2.47568	-.00098	.80261	105
Stud. Deleted Residual	-2.122	3.250	.001	1.014	105
Mahal. Distance	.133	3.488	.990	1.145	105
Cook's Distance	.000	.054	.009	.012	105
Centered Leverage Value	.001	.034	.010	.011	105

a. Dependent Variable: Retirement_benefits

Charts


Normal P-P Plot of Regression Standardized Residual
Dependent Variable: Retirement_benefits
Expected Cum Prob
Observed Cum Prob
0.0
0.2
0.4
0.6
0.8
1.0


Scatterplot
Dependent Variable: Retirement_benefits
Regression Standardized Residual
4
2
0
-2
1.00
2.00
3.00
4.00
5.00
Retirement_benefits