

**AN EVALUATION OF THE MANAGEMENT OF
RETIREMENT BENEFITS IN THE PUBLIC SECTOR
WITH SPECIAL REFERENCE TO KADUNA
POLYTECHNIC; KADUNA,**

BY

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(i)

TOPIC

**An Evaluation of the Management of Retirement Benefits in the Public sector with
Special Reference to Kaduna Polytechnic; Kaduna**

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(ii)

DECLARATION

It is hereby declared that this research was wholly carried out by me. All material consulted as secondary data was acknowledged.

I am therefore responsible for any error found in the thesis.

J.N. Zinkat

Date

CERTIFICATION

This thesis entitled “An Evaluation of the Management of Retirement Benefits in the Public Sector with Special Reference to Kaduna Polytechnic” by J.N. Zinkat meets the regulation governing the award of the degree of the Masters in Public Administration of Ahmadu Bello University and is approved for its contribution to knowledge.

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DEDICATION

This Thesis is dedicated to my dear wife; **Mrs Lami**

and

My beloved children: **Nanko, Nanmua, Jemimah, Manji and Daniel.**

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I wish to commence this acknowledgment by appreciating the leadership of the Almighty God over my entire life; His grace and strength in carrying out this thesis can not be imagined, I am indeed thankful to the Lord God.

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ABSTRACT

Retirement benefits and indeed Pensions Payments are made to an employee after leaving the services of his/her employers on an agreeable condition. The payments are intended to sustain his life and his dependants in retirement. There are several government rules and regulations governing the payments of retirement benefits in the Public Service. The purpose of this study was to evaluate the management of retirement benefits in the public sector with special reference to Kaduna Polytechnic.

The study has the objective of determining the effectiveness of the public sector pension scheme in line with the myriad of public complaints of non-payment of pensions by retirees, it also has the objective of identifying the various problems associated with the processing and payment of benefits. At the end recommendations are proffered to remedy the problems identified.

In this study both primary and secondary method of data collection was used. Data was collected from both the pensioners and staff handling pension matters through the use of questionnaire. Tables and percentages were used as method of analysis.

The study found that lack of adequate funding of public sectors pension scheme by government is a major factor causing delay in the payment of retirement benefits. Another finding of the study was the type of pension scheme in operation which is that government pays premium through insurance companies.

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Based on the findings of the study, it is recommended that the contributory pension scheme which is a welcomed development should have the contributory percentage reviewed to 10% for the employers and 5% for the employee as against the 7½% from both the employer and the employee. It is also recommended that government should pay funds direct to the Boards of Trustees whose composition should include the pensioners representative so as to pay off any backlog.

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CHAPTER ONE

1.1 ACKGROUND TO THE STUDY

The Management of Retirement benefits (Pensions) particularly in the public service is an issue that should be considered strongly and seriously too. Of particular concern is the evaluation of the management of these schemes to determine their effectiveness or failures. Retirement from active service is an inevitable social phenomenon. This is a reality that both the employees and employers alike ought to recognise and make adequate preparation towards it.

A pension fund is seen as the asset of a pension scheme created with the main purpose of providing retirement and ancillary benefits to an employee or his dependents. The Management of Retirement benefits, which is the focal point of this research work, in the opinion of Uzuma (1993), embraces the procedures for establishing and financing a scheme, investing the contribution with effective administrative machinery. It also includes the ability to disburse the funds to beneficiaries as at when due.

The concept of retirement according to O'Gleen (1971) is a product of industrial revolution where there were few masters and many workers and due to the need to meet up with production targets, many of the disables; weak and old workers were laid off for strong and able-bodied workers without much attention given to their life after retirement. The separation from service was "handled in a haphazard, often in an unjust and unintelligent manner. Those responsible for employment policies appeared to assume that human frailties of this sort were a matter of occasional and untoward misfortune rather than of normal human experience"

Although the thinking of employers of labour towards employee life after retirement have changed positively and greater emphasis is now leaned towards ensuring: “at least” a better livelihood or providing a means of livelihood to its retired employees; The coming into existence of modern technological development like the use of computers, mergers, and economic paralysis have further encouraged early retirement leading to the retired constituting a growing proportion of our unemployed population. As a result of this recent development, there are several cases of employers who are unable to cope with the payment of retirement benefits which invariably leads to early death of retirees and create hardships to their dependents.

A general look into the staff welfare structure of most parastatals and related Institution reveals that the type of pension scheme in place is that which does not pay benefits to retirees and their dependants as at when due. The various pension schemes have Boards of Trustees who are empowered to manage the funds directly, if it has a self-administered scheme, or through an Insurance Company, if it is an insured one.

Unfortunately, this lofty plan has been bedeviled by many evils. The most notorious has been lack of adequate funding. The parastatals have not succeeded in setting aside the 25% of the total emolument of their employees for lack of funds. They seem not able to raise sufficient funds from their internal sources for this purpose. The subvention received annually through their supervising Ministries would appear not enough to meet their recurrent pension liabilities. A more recent phenomenon is for pension funds to be released direct to Underwriters. O. Remi (1997).

In most cases, the Boards of Trustees are not aware of the transactions that resulted in the amount being released because they did not prepare and approve the budget proposal. It is however still a source of concern that in spite of all the funds being released many pension Schemes are unable to pay pensioners for upwards to 12 months. I. Isine (2003)

As stated in the Trust Deeds and Rules (1992) It is the statutory responsibility of the Board of Trustees of the Polytechnic Pension Scheme to manage the funds available by first determining the investment portfolios to invest in and secondly by appointing the Insurance Company as well as the Brokers/Consultants to invest the funds. However, the general practice had been for supervising Ministries to make such appointments without reference to either the Board of Trustees or the Office of Establishments and Management Services which has the statutory responsibility for Pension Matters. The result of this act is that the funds given are not being utilised for the purpose they were meant and the guaranteed interest that accrued from the funds not being properly accounted for.

In Kaduna Polytechnic, the Board of Trustees perform administrative duties of maintaining proper staff records, computing retirement benefits and forwarding same to the insurance company for settlement. The Insurance Company receives the Polytechnic pension funds direct from the Federal Ministry of Finance, it invest the funds received and pays benefits based on request from the Polytechnic. The Polytechnic is therefore operating the Insured Pension Scheme.

1.2 STATEMENT OF THE PROBLEM

The human resources of any organisation is a vital asset to that organisation because other resources: money, machines, information etc. are harnessed and used by human resources. However, performance cannot be effective where the human resources of such an organisation are not encouraged.

Employees have different motivational needs and differ from individual to individual and from time to time. Management in organisations are expected to understand and apply this. These needs could take the form of training, adequate salary, enhanced job content, adequate and properly managed retirement benefits which is our focal point here. Retirement benefits are for the purpose of providing an assured income to the worker after retirement that is capable of meeting his immediate needs.

It is however sad to note that several retirees are not paid benefits as and when due. There are so many out cry of non-payment of benefits from retirees of the public sector. One then tend to wonder as to what the problem really is that is responsible for this out cry. Could this problem be associated with not managing the retirement scheme efficiently to achieve desired result as observed by Ngu (1994) that “The inability to manage retirement benefits efficiently and effectively invariably leads to social problems not only to the beneficiaries themselves but also to the entire society. This is a fact that managers of retirement benefits must recognise and ensure that such social problems are minimised”. This inability to effectively manage retirement benefits has made most active workers to have great misconception and negative attitude towards work.

It is also pertinent to wonder or ask the question whether this problem is that of lack of adequate funding of the scheme; lack of proper records keeping or that of incompetence on the part of staff handling the scheme.

It is important to state that this problem of non-payment of benefits to retirees for whatever reason is brought to light by the retirees all over the country through the newspapers, Radios and Television where, most of them are in pursuant of this benefits or where they are not paid benefits for many months. L. Sule (2003) in the Punch Newspaper reported that the Adamawa State Pension Board owes Pensioners N500 million while the New Nigerian Newspaper management is owing its Pensioners about 30 months pensions. In the Sun Newspaper B. Femi (2003) reported that over 2000 pensioners in Plateau State protest non-payment of pensions for five (5) months while the Punch Newspaper published a time table from the Directory of Military Pensions for the payment of Nine (9) months pensions owed military pensioners. It is sad to note that at this exercise, only one (1) month's pension was paid and about 20 pensioners died in the process as reported by I. Isine (2003) in the front page of the Punch Newspaper. To support these agitations of complaint of non payment of pension M.K Ahmed (2005) in a seminar stated that the Federal Government will require about 1.1 Trillion Naira to settle all outstanding pension liabilities to pensioners. This is a colossal amount which goes to suggest that the scheme needs evaluating to come out with suggestions for improvements.

The examples cited above are a few of the many sufferings of Pensioners in the country. This goes to support the claim that there is indeed problem with the handling of Public Pension Scheme. This is the case with the scheme in the polytechnic where pensioners

have not been paid pension for about 9 months as at the period of research as indicated in the last payment voucher, August 2004.

1.3 THE OBJECTIVE OF THE STUDY

From the statement of problem stated above the purpose or objective of this study is to evaluate the effectiveness of the Public Pension Scheme with a view to identifying reasons for complaints.

It also have the objectives of identifying the various problems encountered or associated with the processing and payment of benefits and also the plight of pensioners in Nigeria. In doing this, suggestions are proffered for improvement in the system which will invariably lead to the better condition of living of the retirees.

The study is also to know the type of Pension Scheme in place and offer recommendation for improvement.

1.4 SIGNIFICANCE OF THE STUDY

The study would look at the procedure of processing retirement benefits and similarly provide knowledge and understanding in the area of pension to the public.

The study is also important to the retirees as they will be educated on how their benefits are being processed and the problems therein. This will enable them to channel their complaints and grievances to the right persons at each point in time.

It is also intended that the study will be a reference point to future researchers in this area to develop upon and also to add more literature in the subject matter.

1.5 HYPOTHESES

From the statement of the problem, the purpose of the study and the significance of the study, the following hypotheses are set out for testing

- (a) That lack of funding is responsible for non-payment of benefits.
- (b) That the operation of the insured pension scheme known as “The Unified Pension Scheme” (UPS) by research Institutes is responsible for delay in pension payment to retirees.
- (c) That lack of proper documentation of staff records delays pension payment in Kaduna Polytechnic.

1.6 METHODOLOGY

In carrying out this research work, the source of data collection will be basically the primary and secondary sources.

The Primary Data

To obtain data by this source questionnaires are designed and administered to 60 pensioners randomly chosen who constitute the sample size. This is because there are 625 pensioners in Kaduna Polytechnic and the researcher is not able to reach all of them. However, the two main principles underlying all sample designs, that is the desire to avoid bias in the selection procedure and the need to achieve maximum precision is taken into recognition. To this end the researcher adopt the stratified sampling plan. The stratification is shown below:-

Title: Table showing stratification of Respondents

Retiree Salary HATISS	MEN	WOMEN	TOTAL
01 - 05	30	10	40
06 - 15	15	5	20
Total	45	15	60

Source: Survey of the Researcher: April, 2005

Management staff 5, Pension Desk officers 5.

The retired men are more in number than the women. This is responsible for their having more respondents.

Number of Pensioners in Kaduna Poytechnic

The total number of pensioners in Kaduna Polytechnic as of April 2005 stood at 625. Out of this number the men are 556 comprising 232 Senior Staff and 324 Junior. The women, are 69 comprising 20 Senior staff and 49 Junior staff. Pension file KPT/361/Vol.9 .

From the total number of 625 pensioners, 252 are Senior Staff from HATISS 06 and above while the remaining 373 are junior staff from HATISS 01-05.

In drawing the questionnaires one is also guided by the hypotheses which is highlighted in item 1.5 above. The responses are collated and analysed using simple percentage of high responses as basis for conclusion. The other primary source of data is that of oral interviews.

The Secondary Source

The Secondary Source of data are gathered from Textbooks, Newspapers.

Decrees and official circulars from the government.

1.7 SCOPE AND LIMITATION OF STUDY

The scope and limitation of this Thesis are in two (2) dimensions. The Geographical and content scope.

The Management of Retirement benefits is a function performed both in the public and private sector of the economy. Both the Federal, States, Local government and Companies have their schemes which they managed. To undertake a study of these various scheme in a very large country like Nigeria is close to impossible as it will require a lot of time and finance. One is therefore limited to studying that of the public service with particular reference to Kaduna Polytechnic.

The study is also based on the Pension Decree No.102 of 1979 which is the Legal document for the operation of Pension in the Public Sector between 1979 to June 24th 2004. It should be noted that the new pension act which replaced Decree 102 of 1979 came into effect on 25th June 2005.

1.8 DEFINITION OF TERMS

- ★ Retirement: The giving up of an office or occupation especially because of approaching old age or any form of incapacity to perform.
- Retirement benefits: A working definition of retirement benefits which is adopted for

the purpose of this study is one which refers to pension and gratuity.

- Pensions: It is a monthly payment made to a person or body of persons, especially by a government, a company or an employer of labour in consideration of past services.
- Gratuity: This is a lump-sum amount paid to a retired employee for services rendered in view of his length of service and position.
- Self-administered scheme mean the entire management of the scheme in terms of funds control, investment and payment of benefits are handled by the Board of Trustees of the scheme.
- Insured scheme: This is an arrangement between the Trustees and an underwriter whereby the latter undertakes to manage and provide all benefits under a pension fund in exchange for a pre-determined amount known as the fund or premium.
- Board of Trustees - A determined number of selected staff constituted and saddled with the responsibility of managing the scheme for the entire staff. Their appointment and functions are enshrined in the Trust Deeds and Rules.
- Trust Deeds and Rules - A body of rules and regulations governing the management of a pension scheme.

1.9 **STRUCTURE OF THE STUDY**

The study is structured in 5 chapters, the first chapter deals with the background of the study, statement of the problem, purpose or objective of the study, Significance of the study, Hypotheses, The Methodology used, Scope/Limitation of study and Definition of terms.

Chapters Two and Three has to do with Literature Review/Theoretical Framework and Structural Organization of the Polytechnic while Chapter Four contain Data analysis and presentation and findings. The last Chapter 5 is the Conclusion; that is; Summary and Suggestions for Improvement.

Notes

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CHAPTER 2

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 INTRODUCTION

Several scholars had in the past under taken studies in the field of Retirement benefits from its conception and how it developed over the years. Several books, journals and seminar presentations have also been written and presented on the subject matter.

This chapter deals with the review of some of these books, journals and presentations. The finding and suggestions of these scholars were analysed in line with present day realities with a view to improving on the subject of study.

The chapter also states the theoretical framework upon which the research was based. The frame work is that put forward by Edward Suchman on evaluative research such as this.

2.2 LITERATURE REVIEW

Retirement to Flippo (1980) is a “roleless role.” He pointed out that “a society built on a work ethic, the move from a recognizable productive work role on one day to a roleless role on the next has stimulated the belief that retirement leads to mental and physical illness and sometimes pre-mature death. To many, work is life and idleness is a living death.” This is particularly true of Nigeria where retirees are seen roaming pension offices in search of their entitlements. As reported by I. Isine (2003) in the Punch News Paper so many have died in the process without been paid.

Writing on staff retirement Ngu (1994) stated that “no matter the degree of integration in an organisation, however workers will still have to leave it for one reason or the other and at one time or the other.” He identified three major ways through which workers

leave 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, ill-health or due to a mandatory age provision. Thirdly, workers may leave their employment at their own initiative such as voluntary resignation or optional retirement.”

The law of diminishing returns states that a worker who have served for 35 years or has attained the prescribed retirement age of 65 is expected to retire and enjoy the fruit of his labour. This is enshrined in the Federal Public Service Rule (2000) Rule 02809 which puts it at 35 years of service or 60 years of age .

Research has shown that people always want something to occupy their mind, even in retirement. Mossman (1971) pointed out that “The unoccupied persons, like the empty container, collapse most readily under external pressure. To become miserable one should have leisure to bother about whether one is happy or not. To address this situation it is important that one gets occupied, because the occupied person is neither happy nor unhappy, but simply active and alive.” It should be noted that a perpetual holiday is a good working definition of hell. In his own view on this matter Akanni (1987) wrote that Retirement is seen from two perspective while some see it as a time to sleep late, vacation, visit friends etc. Others see it as evoking negative feeling, a period of uselessness filled with empty make work project

Tracing the history of retirement benefits Stahl (1962) said “Although some systems of retirement benefits existed in the industrialised world, it was in the 20th Century that a widespread recognition of the employers interest and responsibility, in providing for

superannuated employee and those otherwise incapacitated began to surface, in addition to various labour legislations most of which covers the retirement benefit or social securities. Historically, occupational pension benefits have their origins largely to philanthropic concern on the part of employers for the welfare of workers who had given long faithful service to their organisations. In his own contribution Charles Booth, (1967) wrote that “Every where a good deed is done for old servants, their care is a recognised charge on all industrial or commercial undertakings of character and long standing.” This summed up the 19th century view of pensions as a benevolent act of charity on the part of the employer, a kindly social usage as Booth described it. However, an alternative way of looking at pensions which probably represents the majority view point today, is to regard it as deferred pay.

The first pensions legislation in Nigeria was enacted in 1951, referred to then as the Pensions Ordinance. Although the ordinance was promulgated in 1951, it had retrospective effect from 1st January, 1946 to take care of employees of that period. The Colonial pensions law made the granting of pension at the pleasure of the Governor-General of the Country. Pension was not therefore automatic entitlement of a retiree. Under the 1951 pensions ordinance, a pension could be withheld or denied to an officer if he was guilty of negligence. The Federal Government has exclusive powers over matters relating to pensions and gratuity, the pensions Decree No.102 of 1979, was enacted with a commencement date of 1st April, 1974. The Decree consolidated all enactments on pensions and incorporated the pension gratuity scales devised for public officers by the Public Service Review Commission in 1974 - popularly called the Udoji Commission. The pensions Decree No.102 of 1979 is the basic law from which other pension laws in the public service of Nigeria have developed. The other enactments which cater for specific professionals groups but retain the main ingredients of

Decree 102 of 1979 are:

- (i) The Armed Forces Pension Decree No.103 of 1979
- (ii) The Pensions Rights of Judges Decree Nos. 51 of 1988, 29 of 1991 and 62 of 1991.

In addition to the Pension Rules, the administration of pension in the public service is generally guided by various Rules and Regulations relating to the public service. It is the policy of the Federal Government, that public service organisations (Parastatals, Corporations, Universities and other tertiary Institutions) established by Law in the Federal and the States should operate pensions schemes compatible with what obtains in the Civil Service.

Section 24 of the Pension Decree No.102 of 1979 defines “Public Service” or “Service” as a service under the Government of the Federation in a civil capacity or such other service in any organisation specified in schedule 2 to the Decree. Schedule 2 of that Decree shows the list of organisations already declared public service. This list is regularly up-dated through publications in the Federal Government Gazette. Every Government owned organisation and institution is expected to be listed under that schedule so as to retain the status of a public service. The importance of this was further amplified by the issuance of Establishment Circulars 8 of 1976, 8 of 1979 and 8 of 1981.

Over the years there have been steady increases in pensionable employment due to the fact that most retirees who are pensionable are retired with ill-feeling or pre-maturely and are usually not paid on time as was the case during the military era. The objective of pension and gratuity is to provide the pensioner with the means of living a full and enjoyable life in retirement. It then implies that benefits must be realistic to the prevailing economic standards and must reasonably compete with those offered by other employers.

Akanni (1987) identified two sources of income to the retirees; their savings and government pensions. Writing on the positive side of retirement with full benefits, Ngu (1994) stated that “it gives the aged the opportunity to reserve their energy and at the same time enjoy some regular monetary income as pension for their maintenance”..... and that it “create vacancies or new jobs for others through promotion or advancement”. Thus in enhancing greater productivity, suggestions are made to alleviate the sufferings of retirement, prevent sharp reduction in the standard of living of retirees and the need to eliminate the delay in the payment of pension and gratuity due to lack of proper planning on the part of government/employers.

One suggestion put forward by Ngu (1994) is that the international labour organisation (ILO) should by its conventions compel government/employers of labour to keep paying workers separated from their job until all the issues of gratuity and pension have been settled. Despite the positive side of retirement, the present operation subvert the system because the beneficiaries are often enticed or force to retire without fully realising the insufficiency of benefits and the irreversibility of the decision Barkin (1976) This situation is further aggravated due to the fact that retirement is something that most persons experience only once in their life time with no opportunity to gain experience in adjusting to it. Commenting on this point Bettman (1972) said “It is a curious fact that one spend years in preparing for an occupation but often retire from it with little or no preparation.

The essence of retirement according to Professor Jones H.A. “is freedom to choose the kind of life which being the person you are, with the choices that are genuinely open to you will bring a crowning fulfilment to your life”. Commenting on the above, Mossman (1971) says that it “sounds ambitious” but conceded that “ambition in moderate dosages is a

useful stimulant at any age”. The Present Researcher seems to share the view of Mossman based on the situations existing in developing countries like Nigeria. It is difficult if not impossible for a retiree to choose a life style and achieve fulfilment on benefits that are not paid as at when due.

It has already been pointed out that the central issue in the Public Service which gives rise to this study is the concept of Pension Management. Pension Management is concerned with providing retirement benefits and ancillary benefits to employees and/or their dependants. The fund consists of contribution by employer with investment incomes and transferred benefits. Pension management therefore embraces the procedures for establishing and financing a scheme, investing the contributions with effective administrative machinery. Though Bieby (1976) contended that “There is no universally accepted definition for pension”. Macre and Strieb (1959) were of the opinion that “pension and gratuity are benefits for one who has relinquished his job for life of greater freedom and leisure.”

Perhaps a more simpler definition of Pension and Gratuity is that put forward by Oluwude who sees it as “a systematic plan for the provision of benefits for employees on cessation of employment either due to retirement or death or on changing jobs.” In further differentiating between pension and gratuity he pointed out that “when the benefits take the form of regular income or annuities payable from a stated retirement age or after a specified length of service such income is called a pension”. To him when the benefits take the form of a “lump Sum payment to the retiree in the event of a stated contingency” it is called a gratuity. O. Remi (1997)

In Nigeria Pension and Gratuity matters are the responsibility of the Federal Government and it is charged on and paid out from the Consolidated Revenue fund as pointed out in part 1 section 2 of the pensions decree No.102 1979.

The Creation of a Pension fund starts from the budget provision stage when a fixed percentage of money is budgeted for the welfare of public officers. The next stage is the actual disbursement of the budgeted amount to the Trustees or in the case of insured schemes to the insurance companies.

Although this system of funding the Pension Scheme appears simple it is characterised by mismanagement, inefficiency and greed on the part of the parties involved which subsequently affects the end beneficiaries (retirees) adversely and the society at large. Commenting on the mismanagement of retirement benefit Ngu (1994) wrote that “The inability to manage retirement benefits efficiently and effectively invariably leads to social problems not only to the beneficiaries themselves but also to the entire society”.

From the above review of literature on retirement and management of retirement benefits, it is important to note that this is a matter of great concern to scholars particularly as to why there are problems associated with its management. Several Scholars have made recommendations aimed at improving the management of the Scheme upon which this researcher is building on.

2.3 **THEORETICAL FRAMEWORK**

The Theoretical Framework adopted in guiding the researcher in this study is “Edward Suchman’s Theory of evaluative research” . To him, when one is assessing, appraising or judging the performance of an activity, one is conducting an Evaluative Research. He puts it this way:

“In general, whenever one asks such questions as - How good is the programme? What effects are we having? Is the programme working as expected? And uses such instruments as rating sheets, appraisal forms, evaluation guides or research designs which

involve company accomplishments before or after or in the presence or absence of a particular action, one may be said to be conducting an evaluation study”.

Suchman identified five different performance criteria that can be used in evaluating a policy performance. These are, effort, adequacy, efficiency, equity and effectiveness.

A brief explanation of the processes involved is necessary for a greater understanding of the framework used for this work.

1. Evaluation based on Effort Criterion. This has to do with the measurement of success in terms of the quantity and quality of activity that takes place at this stage of a public policy. This represents an assessment of input or energy regardless of output. It is also intended to address the question “what did you do” and “How well did you do it”. For this study, it would be that what is the government doing or what plan has the government towards its retirees and how workable is such a plan. The Government has a pension scheme as a plan for its retirees. How implementable is the plan.
2. Evaluation based on Adequacy Criterion. This has to do with the degree to which effective performance of a policy is adequate to the total amount of need. The measurement of performance at this level is to find out its impact on the target group. Again for this study, are the retirees feeling the impact of the Pension Scheme designed for them by the government?. Does it satisfy them? Is it adequate? Are they paid as and when due?
3. Evaluation based on Efficiency Criterion. Evaluation at this stage is concerned with the alternative paths or methods in terms of costs in money, time, personnel and public convenience. It represents a ratio between effort and effectiveness. That is output divided by inputs. Efficiency is defined as “the capacity of an individual, organization, facility, operation or activity to produce results in proportion to the effort expended. I. Adamu (1994).

4. The Equity Criterion. Evaluation on the equity criterion implies that the programme should have equal treatment to people with similar circumstance, that is the target group. In considering equity, the distributional impact of the benefits derived from and cost, imposed by the programme should be examined. I. Adams (1994) For this study the equity criterion implies that the Government Pension Scheme should be able to cater for all its retirees from all levels and agencies of government without discrimination.
5. The Effectiveness Criterion. Effectiveness criterion measures the results of an effort rather than the effort itself. Its ultimate goal is to measure the effect of effort on the target population. This is done with a view to identifying the successes or failures of the public policy; identifying also areas needing more or less attention and also to set out priorities for future occurrences, it should be pointed out that this study is based principally on this criterion.

The Federal Government's main goal for creating a pension scheme for its retirees is to pay them as and when due. This study has the objective of assessing the successes and failures of this goal in relation to the mirage of complaints of non-payment of benefits by retirees. At the end recommendations would be proffered to address problems identified.

One other framework upon which to base this thesis is the theory by William Conklin on "evaluative research". He outlined the following framework for evaluating any public policy as reported by A.S. Hassan (1986).

- a. Identifying as explicitly and as precisely as possible the formal objectives of the policy.

This involves determining which objectives are procedural; (that is, objectives associated with the administrative implementation of a policy) e.g How is the pension scheme managed to improve its internal administrative performance. It also involves

determining which policy are substantive (Those related to the actual accomplishment or failures of a policy) e.g are the pensioners paid as expected.

- b. Evaluating policy performance: In trying to operationalise an objective, the analyst should seek to measure the performance criteria of effectiveness, efficiency and effort bearing in mind that the objectives which measure effectiveness are operationalised differently from those which measure efficiency and effort. This thesis falls under the effectiveness criterion .

This framework is similar to that put forward by Suchman. However the researcher finds the framework by Edward Suchman more comprehensive and detail.

From the two Theoretical framework discussed above, this researcher choose to base his research on the approach by Edward Suchman, on the premise that a retirement scheme has the objective of paying retirement benefit as and when due. The study will determine the effectiveness of this objective.

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CHAPTER THREE

3.0 STRUCTURAL ORGANISATION OF THE KADUNA POLYTECHNIC

3.1 ORGANIZATIONAL STRUCTURE/CHART

For the Polytechnic to effectively perform its functions and achieve the objective for its establishment, the polytechnic is patterned into a structure for effective co-ordination.

A look at the organizational structure of the polytechnic shows the governing council at the apex. The Decree No.73 of 1979 spelt out the following powers for the council:-

- (a) To acquire and hold any movable or immovable property necessary in the opinion of the Board for the purposes of this Decree and to dispose of movable property no longer required by it and, with the approval of the states given on such terms as may be determined by them, to sell, mortgage, lease or otherwise dispose of any of its immovable properties;
- (b) To erect, provide, equip and maintain any buildings necessary for carrying into effect the provisions of this Decree;
- (c) To invest the funds of the Polytechnic in securities in Nigeria approved by the States;
- (d) To borrow money within Nigeria in such manner and upon such security as the States may from time to time authorize or allow;
- (e) To institute posts and make appointments thereto (including power to make appointments on promotion and transfer and to confirm appointments) and to prescribe conditions of service of staff;

- (f) To provide amenities for and make such other provision for the welfare of the staff of the Polytechnic as it may from time to time think fit;
- (g) To institute and award scholarships and prizes;
- (h) To prescribe courses not inconsistent with this Decree and examinations and to grant diplomas, certificates or such other awards as it may determine and for such purposes the Board may appoint external examiners; and
- (i) To delegate all or any of its powers not exclusively exercised by the Board itself to committees of the Board or to its Chairman or to the Rector or to any other person as the circumstances may warrant. Decree 73 (1979)

Next on the organizational structure is the Rector who is the Chief Executive Officer and accounting officer of the Polytechnic. He exercises general control over the affairs of the Polytechnic, its staff and is responsible for the maintenance of discipline in the Polytechnic

The Rector is assisted by 2 Deputy Rectors (Academic and Administration). There are also a number of Directors who reports to the Rector and Deans of Colleges who reports to their respective Directors. The Deans have under them 30 academic departments.

An organizational chart of the polytechnic is shown on the next page.

3.2 ORIGIN AND SOURCE OF POWER OF THE KADUNA POLYTECHNIC

Kaduna Polytechnic as it is known today had developed from a humble nucleus of the Kaduna Technical Institute established in 1950.

The Polytechnic attained legal recognition with the promulgation of the Federal Military Government Decree No.20 of 1968 which gave effect to the establishment of the Polytechnic in April, 1968. The Decree recognised the component units of the Polytechnic as follows:

- (a) the College of Science and Technology, comprising the Polytechnic at Kaduna (Technical Institute, Kaduna) and the Irrigation School at Sokoto.
- (b) the Staff Development Centre, comprising the Staff Development Centre, Kaduna, Local Government Training Centre, Zaria, Cooperative Training Centre, Zaria, Social Welfare Training Centre, Zaria and the Community Development Institute.
- (c) other institutions for technical education or in-service instruction approved from time to time for the purpose by the Board of Governors of the Polytechnic.

Even though the Polytechnic (Technical Institute) was reconstituted and established as a Northern Regional Institution in 1968, it has in effect, to be managed by the Interim Common Services Agency (ICSA) on behalf of the Region since States had earlier been created out of the Northern and other Regions of Nigeria in 1967. Following the dissolution of ICSA and the promulgation of Kaduna Polytechnic Amendment Decree No.52 of 1969, the Polytechnic became an independent corporate body in October, 1969. The School of Irrigation at Sokoto, the Local Government Training Centre and the Social Welfare Training Centre in Zaria, continued to operate in Sokoto and Zaria respectively until 1970 when they were moved to Kaduna. A. Maha (1996)

With the States well established and the dissolution of ICOSA, the independent institutions administered by ICOSA were transferred to either Kaduna Polytechnic or Ahmadu Bello University. Accordingly, the Northern Survey Training School located in Kaduna South was merged with Kaduna Polytechnic, to become the third campus of the Institution as the Survey Unit. Subsequently, the component units of the Polytechnic were restructured as follows:-

- (i) the Staff Development Centre was upgraded to cater for additional training functions for private organisations and the Centre was renamed College of Administrative and Business Studies (CABS);
- (ii) the Survey Unit was renamed College of Environmental Studies (CES) to reflect the varied environmental programmes offered in the College; and
- (iii) the College of Science and Technology (CST) which has existed as one of the main component Colleges of the Polytechnic for about two decades by 1989 was considered to have grown too large with students population of over 5,000; Staff strength of about 920 and 111 workshops and laboratories. In order to improve the quality of administration of the College, it was therefore restructured into two colleges by carving out the College of Engineering (COE) from the College of Science and Technology in 1989. A. Maha (1996)

The Polytechnic which started at inception with students enrolment of 300 in 4 Departments at the College of Science and Technology and 250 students in 3 Departments at the College of Administrative and Business Studies soon witnessed steady, but tremendous growth and development. It now has an overall enrolment of 12,000 full time students and 3,000 part-time students with academic staff strength of 1,000. It has a total of 30 Departments offering 130 programmes at the levels of degree of B.Ed. (Technica), NCE (Technical), HND and ND in Engineering, Architecture, Building, Sciences, Humanities and Certificate programmes.

A. Maha (1996)

3.3 FUNCTIONS OF KADUNA POLYTECHNIC

The Federal Polytechnic Act of July 1979 under chapter 139 clearly spelt out the functions of all Federal Polytechnics to be:-

- (a) To provide full-time or part-time courses of instruction and training
 - (i) in technology, applied science, commerce and management, and
 - (ii) in such other fields of applied learning relevant to the needs of the development of Nigeria in the areas of industrial and agricultural production and distribution and for research in the development and adaptation of techniques as the Council may from time to time determine;
- (b) To arrange conferences, seminars and study groups relative to the fields of learning specified in paragraph (a) of this subsection (i);
- (c) To perform such other functions as in the opinion of the Council may serve to promote the objectives of the polytechnic. (Federal Polytechnic 1979)

The Federal Military government in September 1979 issued Decree No. 73 giving Legal backing to Kaduna Polytechnic with the following function:-

- (a) To provide diverse instruction, training and research in technology, the sciences, commerce and the humanities as well as any other sphere of learning which may from time to time, be approved by the Board;
- (b) To provide courses of in-service instruction for members of the public services in Nigeria, and the extent that the Board thinks fit, courses of the like nature for persons unconnected with any of the public services. Decree No.73 (1979)

To effectively carryout these functions, the Polytechnic is structured into colleges, schools and Departments as discussed under the topic organizational structure/chart in this

thesis.

3.4 **PENSION ADMINISTRATION IN KADUNA POLYTECHNIC**

Since the focus of this research is to evaluate the management of retirement benefits with Kaduna Polytechnic as a case study, it is therefore necessary to look at how Pension and Gratuity is administered in the Polytechnic.

From the organizational structure above, pension is a department under the office of the Registrar. The Pension department is therefore saddled with the responsibility of managing the pension and gratuity matters of the Polytechnic staff.

There are principally two types of pension schemes available for any organization to chose one for the purposes of its staff retirement benefits. That is the insured and the self administered schemes. Both schemes have a Board of Trustees whose duties it is to administer the scheme, Irukwu (1978) said “If the scheme is insured, the insurer invests the funds for the trustees and provides certain administrative services together with the brokers of the scheme. Where the scheme is self-administered, the investment and administrative responsibilities are discharged by the trustees themselves”. The retirement benefits are administered in the Polytechnic using the insured scheme. Here the Board of Trustees administer the scheme while investment of funds is by the insurance company. The functions of the Board of Trustees are clearly spent out in the Trustee Deeds and Rules which are a body of rules governing the scheme. Retirement benefits are computed and sent to the insurance company otherwise known as the underwriters of the scheme who are expected to make payments to the Board of Trustees who in turn pay the retirees. Again Irukwu (1975) pointed out that it is however the responsibility of the Board of Trustees to ensure that the insurer is informed of all claims in good time. The provision of all necessary documents must be ensured by the trustee, this include proof of age, health and nomination of beneficiaries.

The insurer provide guarantee for payment of benefit and maintains suitable membership records. It will be the broker/consultants responsibility to keep the trustee/employers properly advised on the scheme and liaise between the employer, trustees and the insurance company on claims, premium payments and renewals. They will also provide the draft of trust deeds and rules and negotiate the approval of the scheme with the joint tax board. Irukwu (1978).

A look at the funding of the pension scheme of the polytechnic for the last 5 years is seen below:-

Title: Funding of the Board of Trustees by the Underwriter

YEAR	NO. OF RETIREES	CLAIMS SUBMITTED	AMOUNT RECEIVED	REMARKS
2000	387	50,495,483.40	42,434,507.26	
2001	470	52,353,589.03	30,108,984.19	
2002	512	75,718,622.04	33,537,311.04	
2003	563	83,914,303.76	39,921,884.47	
2004	585	86,766,750.74	19,842,630.30	
TOTAL		349,248,749.87	165,845,317.26	

Source: Pension File KPT/S.326/Vol.XVI/378

3.5 **A PREVIEW OF MAJOR PROVISIONS OF PENSION DECREE NO. 102 OF 1979
AND OTHER ENACTMENTS**

This decree which is the extent law in force consolidated all previous enactment on pensions. Although it was promulgated in 1979, it had its commencement date from 1st of April, 1974. Pension administration generally in the country is strictly based on the statutory provisions of the law. There are however other enactment by way of administrative circulars, regulations etc. which by and large have been issued after the Decree to assist in the administration of pensions in the public service.

Section 3 (1) (2) (3) of the pension Acts provide that pensions and gratuities shall become payable to a member if one of the following events occur:

- (a) On retirement from the organisation after ten years or more; but pensions earned will not be due for payment until the member attains the age of 45 years.
 - (b) On medical evidence being given by a properly constituted Medical Board that a member is not physically and mentally capable of rendering further service on health grounds.
 - (c) If a member is totally or permanently disabled.
 - (d) On abolition of office
 - (e) If a member is required by the organisation to withdraw or retire from the service in public interest.
- a. On compulsory retirement for the purpose of facilitating improvement in the organisation or the department of the company to which the member belongs so that greater efficiency or economy may be effected.

- b. Provided that in respect of paragraphs (b) - (d) above if the member has spent 5 years but less than ten years in the service before he retires or withdraws, he will be entitled to only a gratuity as shown in the table.
- c. Provided also that if the member qualifies for pension (under paragraphs b - d) pensions shall be payable with effect from the date of retirement irrespective of age as shown in the table of payment.

A fundamental change to pension administration occurred in 1992 where the Federal Government in a circular with ref. No. B. 63304/xiii/879 of 29th June, 1992 made the following modification in respect of retirement benefit.

- (a) The period of qualifying service for pension is reduced from 15 - 10 years.
- (b) The period of qualifying service for gratuity is reduced from 10 - 5 years and
- (c) The maximum rate of pension for 35 years service is increased from 70% to 80%.

In respect of those who stay beyond the retirement period, establishment circular with references No. B63216/S.1/X/539 of 22nd February, 1989 states that where an officer stays beyond the date he is expected to retire, all emolument earned by him there after shall be deducted from his retirement benefits. This is further confirmed by circular No B.63216/S.I/X of 20th August 1999.

Section 4(1) state that the statutory age of retirement shall be 60 years. The Pension Rights of Judges Decree No.5 of 1985, places the retirement age of judges at sixty-five years. In the case of academic staff of universities, Decree No. 11 of 1993, gave the retirement age for academic staff to be sixty-five years. That Decree stipulates further that the person who retires as a professor in the University or continuously in the services of a University in Nigeria up to retiring age shall be entitled to 100% of his terminal annual emolument as pension. It will be recalled that the Secretary to the Government of the Federation's circular Ref. No.

SGFII/VOL.III/T/26 of 20th February 1997, removed completely the issue of attaining thirty-five years (35 years) services as condition for retirement. The Pension Rules allow officers aged below forty-five years who wish to retire voluntarily to do so after attaining the qualifying period of service. However, such an officer shall not commence to receive pension until he has attained the age of forty-five years. Where, however, an officer is retired compulsorily after completing ten years of service he shall be entitled to pension immediately on retirement, notwithstanding that he has not attained the age of forty-five years. In calculating retirement benefits; this section shows clearly that the public service pension scheme has a defined benefits structure. If an officer retires from service and provided he has served the qualifying period for pension, he shall be entitled from the pensions funds to a lump sum gratuity and a pension for life payable on monthly instalments. It should be noted that the public service pension scheme is non-contributory. At no time shall a public service officer be required to make any form of contribution for his pension. The lump sum gratuity and annual amount of pension shall be calculated and paid as stipulated below:

Years of service	Gratuity as a % of terminal Salary including all approved Allowances	pension as a % of Terminal Salary including all approved Allowances
5	100	-
6	108	-
7	116	-
8	124	-
9	132	-
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: Booklet on Working Circulars /Regulations on Pension 1998 P.98.

By the issuance of circulars Ref. No. B63216/S.1/618 of 13th September, 1991 and Ref. No. 63216/S.1/X/702 of 25th January, 1993, the Federal Government approved that the calculation and payment of retirement benefits should be based on the total annual emolument of an officer. For the purpose of this calculation, the component units of an

officers total emolument which are to be taken into account in computing pension and gratuity are as follows:

- a. OFFICERS ON GL 01-09
 - (i) Annual terminal basic salary
 - (i) Annual transport allowance
 - (ii) Annual rent subsidy
 - (iii) Utility allowance
 - (iv) Meal subsidy
- b. OFFICERS ON GL 10-14
 - (i) Annual terminal basic salary
 - (ii) Annual transport allowance
 - (iii) Annual rent subsidy
 - (iv) Utility allowance
 - (v) Meal subsidy
- c. OFFICERS ON GL 15 AND 16
 - (i) Annual terminal basic salary
 - (ii) Annual transport allowance
 - (iii) Annual rent subsidy
 - (iv) Utility allowance
 - (v) Meal subsidy
- d. OFFICERS ON GL 17 AND ABOVE
 - (i) Annual terminal basic salary
 - (ii) Annual transport allowance
 - (iii) Annual rent subsidy

- (iv) Utility allowance
- (v) Meal subsidy
- (vi) Annual total emolument of two domestic staff for GL 17 officers and four for officers on consolidated salaries occupying pensionable post.

As a follow up to this circular, the Federal Government issued another circular Ref: B.63216/S.1/X/13/105 of 30th January, 1997 known as “Harmonisation of Pension” to bring up the pensions of staff whose benefits were calculated based on their basic salary only to that of their colleagues on total emolument.

Under the provisions of Section 1(2) of the Rules, after the completion of a minimum pensionable period of 10 years, any part of a year that is more than 6(six) months shall for the purpose of calculation be approximated to one year. In effect, approximation can only be applied to officers who have qualified for the award of pension in the first instance (i.e having attained the qualifying period of ten years).

Section 5(1) and (2) states that where an officer dies in service after completing the minimum period of qualifying service, his designated next - of kin or legal representatives shall be paid such pension as would have been payable to the officer if he or she had retired at the date of his death. If such an officer dies, before he completes the qualifying period of service, his next-of kin shall be entitled to one year’s salary. It is important to note that the registered next of kin or designated survivors are those whose names are available in the officers record of service which was furnished by himself in writing before his death. The section advised that pension for the next 5 years known as death guaranteed pension be paid embloc.

Section 6(1) and (2) has to do with where an officer dies in the course of performing his official duty and without his own fault, his registered next - of - kin or designated survivors shall be entitled to a gratuity to which the officer would have been entitled on the date of his

death, conditions for the payment are also spell out.

Section 21(1) and (2) is very clear on the requirement of an officer who is leaving the service.

The section states that on:-

(i) **Withdrawal**

An officer can decide to leave the service after completing five years in service. This is voluntary withdrawal from service. Note that this type of officer is entitled to gratuity only. Such an officer is required to give one month's notice.

(ii) **Voluntary Retirement**

An officer who has completed 10 years pensionable service and more may decide to retire voluntarily. Such an officer will be required to give three months notice. Where the retirement is immediate, he will be required to pay three months salary in lieu of notice.

(iii) **Compulsory Retirement**

An officer who is compulsorily retired is entitled to receive payments for three months salary in lieu of notice. He is also to start receiving pension immediately irrespective of the fact that he has not attained 45 years of age.

(iv) **Termination of Appointment**

An officer whose appointment is terminated in public interest is entitled to one month's salary in lieu of notice. It is essential to give a clear picture of why an officer is leaving the service. Most times the word "termination" is used for an officer who ordinarily should be dismissed from service for an act of gross misconduct. All cases of dismissal shall not attract any benefit.

Notes

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6. J.O Irukwu, Insurance Law and Practice on Nigeria
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9. Public Service Rules, 2000 Ruled 02807
10. Decree No.102 of 1979 PA 781
11. Circular No B. 63304/XIII/879 of 29th June 1992
12. Circular No B. 63216/S.I/X/702 of 25th primary 1993

CHAPTER FOUR

4.1 **ANALYSIS OF DATA AND PRESENTATION OF RESULTS**

Before analysing the data collated it is important to recast that the method adopted to obtain data is through the primary source which includes administered questionnaires and interviews, Also data was obtained through the secondary source which includes records from the Pension Department of the Polytechnic.

The questionnaires were administered to 60 respondents who constitute the sample size randomly selected using stratified sampling plan. It is important to point out that in administering the questionnaire and also analysing the Data collated the Researcher was guided by the objective, the statement of problem and the Hypotheses of the research.

The Data analysed in this chapter was intended to test the validity of the Hypotheses which had earlier been identified in chapter 1 to be:-

- That Lack of adequate funding is responsible for non-payment of benefits.
- That the operation of the Insured Pension Scheme known as “The Unified Pension Scheme” (UPS) by Research Institutes is responsible for delay in pension payment to retirees.
- That Lack of proper documentation of staff records delays pension payment in Kaduna Polytechnic.

The questionnaire is divided into 2 sections i.e Section ‘A’ deals with the Demographic data for Pensioners and the questionnaires for Pensioners while section ‘B’ deals with Demography data for pension staff and their questionnaires.

Table 4.1 Demographic Data for Pensioners

Gender	Sample Size	Percentage
Male	45	75
Female	15	25
<u>Position on Retirement</u>		
Junior Staff	40	67
Senior Staff	20	33
<u>Age</u>		
30-40	0	0
41-50	10	17
51-60	45	75
61-above	5	8
<u>No of Years Served</u>		
10-20	8	13
21-30	20	33
31-35	32	54
<u>Marital Status</u>		
Single	0	0%
Married	60	100%
<u>Qualificatio</u>		
Primary	25	42
Secondary	15	25
Degree/HND	20	33

Source: Survey of the Researcher: March 1st 2005.

The table above showed that out of the 60 respondents 45 are male representing 75% while 15 are female representing 25%. The male have more respondents than the female

because the male are more in number than the female. Out of the total of 625 pensioners in the Polytechnic 556 are male representing 89% while the female are only 69 representing 11% of the total whole.

Again from the 60 respondents, 40 are junior staff representing 67% while 20 are senior staff representing 33%. The reason for this difference is that most of the retirees are Labourers, Clerks, Messengers, Cooks etc. This same reason is also responsible for the data seen under age bracket and also number of years served before retirement. 45 respondents representing 75% fall within the age bracket of 51-60 years with only 5 person representing 8% on the age bracket of 61 and above. Also 32 respondents representing 54% served the polytechnic for between 31-35 years, 20 person representing 33% served for between 21-30 years while only 8 representing 13% served for between 10-20 years.

The data showed that 25 respondents representing 42% have only Primary Certificate while 15 representing 25% have secondary certificate. This class of respondents are the junior staff and are the ones that serve for very long period. 20 respondents representing 33% have their Degrees and Higher National Diploma.

Table 4.2: Analysis of Demographic Data of Pension staff.

Gender	Sample Size	Percentage
Male	7	70
Female	3	30
<u>Position</u>		
Junior Staff	5	50
Senior Staff	5	50
<u>Duration on Pension Job</u>		
1-10 years	0	0
11-20 years	6	60
21-34 years	4	40
<u>Qualification</u>		
Primary	1	10
Secondary	4	40
Degree/HND	5	50

Source: Survey of the Researcher: March 1st 2005.

The Demographic data for staff handling pension matters above showed that out of the 10 respondents, 7 representing 70% are male while 3 representing 30% are female.

The senior staff are 5 and junior also 5 representing 50% respectively. From the data also 6 respondents representing 60% while 4 representing 40% have been on the job for between 21-35 years. Out of the 10 respondents only 1 representing 10% has only Primary

Certificate, 4 representing 40% and 5 representing 50% have Secondary Certificates and Degrees respectively.

Test of Hypotheses I: Lack of adequate funding is responsible for non-payment of Benefits as at when due.

Table 4.3 Components of Retirement Benefits

Question: What Constitutes your Retirement Benefits at Retirement.

	Frequency	Percentage
Pension/Gratuity	60	100
Pension only	0	0
Gratuity only	0	0
Total	60	100

Source: Survey of the Researcher: March 1st 2005.

From the table above, all the respondents 60 in number representing 100% responded that at retirement their benefits includes pension plus gratuity. This is so because the rule governing the payment of pension and gratuity states that an employee must serve government for a minimum of 10 years before he/she can qualify for both pension and gratuity¹. From the Demographic data for pensioner it was noted that only 8 respondents representing 13% served for a minimum of between 10-20 years.

Table 4.4: Period Last Received Pension

Question: When last did you receive your pension?

Month	Frequency	Percentage
1-3 months ago	0	0
4-6 months ago	60	100
7-12 months ago	0	0
Total	60	100

Source : Survey of the Researcher: March 3rd 2005.

They were asked when last they received their monthly pension. All the 60 respondents representing 100% said they received their last pension between 4-6 months ago.

This suggests that the pensioners are paid at the same time.

Table 4.5: Causes of any delay

Question: If there was a delay what do you think is responsible for this delay?

Reasons	Frequency	Percentage
Lack of funds	38	63
Bereaucracy	15	25
No idea	7	12
Total	60	100

Source: Survey of the Researcher :March 3rd 2005.

The respondents were given the opportunity to point out what they think could be

responsible to their not been paid as and when due, that is on monthly basis. Out of the 60 respondents, 38 representing 63% stated that the reason was lack of funds to pay them. 15 representing 25% said the reason was bureaucracy by the handlers while 7 respondents representing 12% said they do not know the reasons.

From this analysis one may not be far from being correct to say that delay in paying pension in Kaduna Polytechnic is due to lack of funds.

Table 4.6: Staff Rating

Question: How would you rate staff handling your benefits?

	Frequency	Percentage
Very capable	46	77
Incapable	14	23
Total	60	100

Source: Survey of the Researcher: March 3rd 2005.

The Data above showed that 46 respondents representing 77% rate staff handling their pension matters as capable while 14 representing 23% said the staff are not capable. It should be noted that this 14 respondents come from the junior staff whose concern is to have their pension paid as and when due; since the last time they received their pension was between 4-6 months ago table 4.4; to them the pension staff are incapable of their job.

Table 4.7: Level of living in retirement

Question: How is your standard of living in Retirement?

	Frequency	Percentage
Very poor	60	100
Better	0	0
No change	0	0
Total	60	100

Source: Survey of the Researcher: March 3rd 2005.

All the respondents 60 in number representing 100% pointed out that their standard of living in retirement was very poor. This is more so that the pension is not paid as and when due. When it is eventually paid it is gulf down by inflation couple with the fact that the pension is too meagre to stand the test of time since these retirees go to the same market like every one else. They also have large families and dependants to cater for. Some of them depend absolutely on this monthly pension and if it is not paid as and when due, definately their standard of living will be affected.

From the responses, it is worth noting that this hypotheses has been tested to be true that lack of funds and indeed adequate funding of the pension scheme is responsible for non-payment of pension as and when due. At least 38 respondents representing 63% confirmed this while 46 respondent representing 77% pointed out that the staff handling pension matters are capable. So the delay is not with the staff but with funding.

Test of Hypotheses 2: The Operation of the Unified Pension Scheme is responsible for Delay in Pension payment.

Table 4.8: Awareness of how Benefits are managed

Question: Are you aware that your benefits are managed by an insurance company?

	Frequency	Percentage
Yes	45	75
No	7	12
Desk officer said so	8	13
Total	60	100

Source: **Survey of the Researcher: March 3rd 2005.**

In testing this hypothesis, the researcher wants to find out if the pensioners knew the type of pension scheme in operation in Kaduna Polytechnic. In response to this question, 45 respondents representing 75% said they were aware that their benefits are managed by an Insurance Company while 7 representing 12% said they did not know. 8 respondents representing 13% said the pension desk officer told them which means they do not know also. This category are those who are more concern with receiving their pension at the right time rather than its management.

Table 4.9: Level of effectiveness of the scheme

Question: If you are aware or not aware, do you think this present system of operating the scheme is effective or not?

	Frequency	Percentage
Effective	0	0
Not effective	60	100
No idea	0	0
Total	60	100

Source: Survey of the Researcher: March 3rd 2005.

Since majority of the respondents know that their benefits are managed by an Insurance Company, they were asked to comment on how effective is this system of managing retirements benefits through the Insurance Company. 60 respondents representing 100% said the system was not effective. Of course any system of managing pension that would not permit for payment of pension at the right time would not be accepted by the Pensioners.

It should be pointed at this point that Kaduna Polytechnic like most parastatals in the country operate the Unified Pension Scheme. This means that government releases funds directly to the Insurance Company who would then release funds to Kaduna Polytechnic to pay its retirees². It is also interesting to note that even the 12% who are not even aware of the type of scheme in place and the 13% who said the Desk Officer told them table 4.8; are both not satisfied and they joined the others to state that the system was not effective.

Table 4.10: To continue with the Pension Scheme or not

Question: Should this system be continued with modifications or stopped?

	Frequency	Percentage
Should be stopped	60	100
Continued with modification	0	0
Total	60	100

Source: Survey of the Researcher: March 3rd 2005.

Table 4.11: Suggesting alternative way

Question: If you recommend that it should be stopped, how do you want your benefits to be managed?

	Frequency	Percentage
By the Board of Trustees	35	58
By the Pensioners	25	42
Total	60	100

Source: Survey of the Researcher: March 3rd 2005.

The respondents were asked whether this system of managing their benefits should continue with some modification or stopped entirely. If they suggest that the system be stopped they were to suggest how they would prefer the scheme managed.

The data on Table 4.10 showed that all 60 respondents representing 100% said the scheme should be stopped. This is irrespective of their knowledge on the type of pension scheme in previous tables. This also confirms their earlier displeasure with the system. Table 4.11 showed that 35 respondents representing 58% said their benefits should be managed directly by the Board of Trustees while 25 respondents representing 42% said their benefits

should be managed by them (the Pensioners). It should also be mentioned here that the management of retirement benefits by the Board of Trustees referred to as “self-Administered scheme” is that which government releases funds directly to the Board of Trustees to pay its retirees.

From the data collated and analysed from Tables 4.8 - 4.11, it is clear that the operation of the unified pension scheme delays payment of benefits which is why the respondents expressed dissatisfaction with the system and suggest its change. Thus this hypotheses is tested and confirmed to be true.

Test of Hypotheses 3:

That lack of proper documentation of staff records

delays pension payment in Kaduna Polytechnic.

Table 4.12 **Length of time for payment**

Question: **After retirement how long did it take you to receive your benefits.**

Duration	Frequency	Percentage
Between 1-3 months	17	28
Between 4-6 months	32	54
Between 7 months and above	11	18
Total	60	100

Source: **Survey of the Researcher: March 4th 2005.**

In testing this hypotheses, the respondents were asked how long it took them to get their entitlements paid. To this questionnaire 17 respondents representing 28% said it took them between 1-3 months while 32 respondents representing 54% pointed out that it took them between 4-6 months. Another 11 respondents representing 18% have to wait for between 7 months and above. Here the lucky ones are the 17 respondents representing 28% probably their retirement period coincided with when funds were released to the Board of Trustees by the Insurance Company.

Table 4:13: What was Responsible if delayed

Question: If very long, do you attribute it to lack of proper records keeping?

	Frequency	Percentage
Yes	6	10
No	51	85
No Idea	3	5
Total	60	100

Source: Survey of the Researcher: March 4th 2005.

For those who had to wait for a long period before getting paid, they were given the opportunity to state if the delay was due to lack of proper staff records keeping. 6 respondents representing 10% affirm that the delay was that of lack of staff records. 3 representing 5% have no idea to the cause of delay. 51 respondents representing 85% said it has nothing to do with records keeping. This groups position could be accepted since in table 4.6, 46 respondents representing 77% had rated staff handling their benefits in the Polytechnic as very capable. If the staff handling pension matters are capable then poor records keeping should not be an issue, more so that we are in the computer era in which records storage has been made very simple.

Table 4.14: Assessment of Records Keeping

Question: What is your assessment of documenting staff records in Kaduna Polytechnic?

	Frequency	Percentage
Efficient	55	92
Inefficient	5	8
Total	60	100

Source: Survey of the Researcher: March 4th 2005.

They were asked to assess the process of documenting staff records in the Polytechnic. 55 respondents representing 92% assess the system as efficient while 5 respondents representing 8% said the system was inefficient.

The data from this table further confirm that lack of proper staff records has no place in delaying the payment of staff benefits.

The data on Tables 4.12-4.14 suggest that the hypotheses which states that lack of proper documentation of staff records delays Pension payment in Kaduna Polytechnic has been proven incorrect. The respondents affirm that documentation of staff records does not affect the payment of their pension.

DATA ANALYSIS FROM STAFF HANDLING PENSION MATTERS

Test of Hypotheses I :- Lack of adequate Funding is responsible for non-payment of benefits as at when due.

Table 4.15: Regularity of Payment

Question: How regular are your Pensioners paid.

	Frequency	Percentage
Monthly	0	0
Between 2-3 months	3	30
No actual time	7	70
Total	10	100

Source : **Survey of the Researcher: March 4th 2005.**

The staff saddled with the responsibility of administering the Pension and Gratuity Scheme of staff were asked how regular they pay their retirees. 3 staff representing 30% said the pensioners are paid between 2-3 months interval while 7 respondents representing 70% pointed out that there is no actual or fixed time for payment. This mean the pensioners are paid when funds are available.

The response from the staff as seen in this table agrees with that of the retirees on table 4.4 where the 60 respondents representing 100% pointed out that they received their pensions between 4-6 months interval. This suggest irregular payment of pensions to pensioners.

Table 4.16: Reasons for delay

Question: If irregular what do you think is responsible.

	Frequency	Percentage
Lack of funds	10	100
Records keeping problem	0	0
Bureaucracy	0	0
Total	10	100

Source : Survey of the Researcher: March 4th 2005.

The staff were further asked that if they do not pay their pensioners as and when due then what was the problem. 10 respondents representing 100% said the problem was that of Lack of funds to pay. Their response also collaborates that of the retirees on Table 4.5 where 38 respondents representing 63% pointed out that what is delaying the payment of their pensions as at when due is Lack of funds. Thus, from the response of both the retirees and pension staff, One can safely conclude that in testing hypotheses I, what actually delays pension payment is Lack of adequate funding of the Scheme. It is not in competence of the staff handling pensions. This is more so that the retirees are satisfied with the performance of the staff administering their Scheme, evidenced by their rating them very high on records keeping table 4.14.

Test of Hypotheses 2 : The Operation of the Unified Pension Scheme (UPS) is responsible for Delay in pension payment.

Table 4.17: Type of Pension Scheme

Question: What Type of pension scheme do you operate.

	Frequency	Percentage
Self Administered Scheme	0	0
Insured Scheme	10	100
Total	10	100

Source : **Survey of the Researcher: March 4th 2005.**

Table 4.18: Effectiveness of the Scheme

Question: How effective is this Scheme.

	Frequency	Percentage
The Scheme does not guarantee prompt payment	8	80
The Scheme allows quick payment	0	0
The Scheme is not ideal	2	20

Total	10	100
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Source: Survey of the Researcher: March 4th 2005.

In order to ensure that the staff know the type of pension Scheme in place they were asked the question in Table 4.17. 10 respondents representing 100% said they are operating the “Insured Pension Scheme”. This shows that all the pension staff know the type of pension scheme in place. They were thus asked to comment on the effectiveness of the Scheme as seen on Table 4.18 above. 8 respondents representing 80% said the Scheme does not guarantee prompt payment while 2 respondents representing 20% said the Scheme was not ideal. This shows the scheme was not effective. It should be noted that the retirees in their response in Tables 4.8 and 4.9 said they know how their benefits were managed and that they were not satisfied with the system of operating or managing the Scheme.

Table 4.19: Modification of Scheme

Question: Would you suggest a change or modification of the Scheme.

	Frequency	Percentage
Change the scheme	10	100
Modify the scheme	0	0
Total	10	100

Source: Survey of the Researcher: March 4th 2005.

The staff were asked if they would suggest a modification in the system of operating the Scheme or they would prefer a total change. 10 respondents representing 100% said they

would rather want a change in operating the scheme. This is also the position of all the retirees who filled the questionnaire as seen in Table 4.10. From these response it is also safe for one to conclude that the Unified Pension Scheme is indeed responsible for the delay in pension payment thereby proving this hypotheses to be correct.

Test of Hypotheses 3 - The Lack of proper Documentation of staff Records Delays pension payment.

Table 4.20: Rating of Staff Records Keeping

Question: How would you rate your Records keeping.

	Frequency	Percentage
Very efficient 75-100%	9	90
Efficient 50-74%	1	10
Poor 0-49%	0	0
Total	10	100

Source: Survey of the Researcher March 4th 2005.

The Pension Staff were required to rate their staff records keeping in regards to pension purposes. 9 respondents representing 90% said the records keeping was very efficient between 75% - 100% while 1 representing 10% said the records keeping was efficient between 50%-74%. This showed that the records keeping system in the Polytechnic was good since all staff data are computerized and can be retrieve or accessed without waste of time.

This rating of the pension staff agreed with that of the retirees on tables 4.14 where the retirees rated the records keeping system of the Polytechnic as efficient. From the response of the staff and retirees one can deduce that Lack of proper records keeping has no input in the payment of pension. It is therefore not a factor in delaying the payment of

pension. With these responses therefore the hypotheses that Lack of proper Documentation of staff records delays pension payment has been proved wrong.

4.2 **FINDINGS FROM THE RESEARCH**

In analysing the data collated and eventual presentation of results arising from the data so analysed the researcher aimed at arriving at some outcome.

1. The major reason for the non-payment of Retirement benefits as and when due is that of lack of adequate funding of the pension scheme. At least 63% of the respondents pointed this on table 4.5. Because of this lack of adequate funding it takes between 4-6 months before pension are paid table 4.4.

From this finding, the hypothesis that “lack of funding is responsible for non-payment of benefits” has been tested to be correct. 100% of the staff interviewed handling pension matters agreed with this hypotheses, table 4.16.

2. The other finding of the research indicates that the type of pension scheme in operation which is called “Unified Pension Scheme” (UPS) also contributes to non-payment of benefits on time.

In table 4.8, 75% of the respondents confirm they know that their benefits are managed by an insurance company while 25% are not aware. Both those who are aware and those who are not, agreed that the system of managing the scheme was not effective table 4.9 They both called for its stoppage. In a verbal interview with some

respondents the researcher found out that the Insurance Company managing the funds of the Scheme was appointed by the Parent Ministry of the Polytechnic that is The Federal Ministry of Education and not by the Board of Trustees of the Scheme as required by government Circular.³ This means that the Insurance company is not answerable to the Board of Trustees but the Ministry who appointed it. More so that the company received funds directly from the Federal Ministry of finance. 58% of the respondents advocated for a self-administered scheme Table 4.11 where government will make payment direct to the Board of Trustees to pay retirees. 80% of pension staff interviewed pointed out that the Insured Pension Scheme does not guarantee prompt payment while 20% said it is not ideal; table 4.18. They both suggested it should be changed table 4.19. Thus the findings agreed with the hypotheses that “the operation of the Unified Pension Scheme is responsible for delay in pension payment”.

3. It was also found out that the Kaduna Polytechnic makes use of computers in storing its staff data. Therefore staff data retrieval for the purpose of payment of retirement benefits does not delay. About 85% of the respondents said record keeping is not the cause of delay in pension payment; table 4.13. While in table 4.14 about 92% said records keeping in the polytechnic was efficient. 90% of pension staff interviewed table 4.20 confirm this positions when they said the record keeping system was very efficient. It is therefore to be noted that the hypotheses which states that “the lack of proper documentation of staff records delays pension payment has been proven wrong.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1 Summary of The Research

A major objective for the creation of a Public Sector retirement scheme by the government was to pay its retirees their benefits at the right time with the aim of at least maintaining the standard of living of the retirees vis-a-vis when they were “active” workers. However, of recent there has been wide- spread outcry of non-payment of these retirement benefits all over the nation. This thesis was therefore undertaken to evaluate the effectiveness of the objective of creating the scheme with a view to identifying areas for improvement. The statement of problem leading to the conduct of the research was therefore the incessant complaints of non-payment of pension by pensioners in the Newspapers, Radios, Television where they are shown protesting and complaining bitterly on non-payment of benefits which is affecting their Living condition along side their dependents.

In order to come up with a thesis that would actually address the statement of problem identified and give at least a precise reason for the general complaints by pensioners, three(3) hypotheses were put forward for testing. These are that, lack of adequate funding is responsible for non-payment of pension; That the type of Pension Scheme operated (The Insured Scheme) was responsible for non-payment of pensions and that Lack of proper Documentation of staff records was responsible for non-payment. The method of sourcing data adopted for the research was the Primary and Secondary sources which involves

administering questionnaires; interviews and also consulting textbooks, Newspapers and Circulars of government. Kaduna Polytechnic was used as a special reference point where 60 retirees were taken through a stratified sampling plan.

The works; opinion and comments of past scholars on this matter was analysed with a view to understanding their contributions and building upon to come up with recent realities on the matter. Two (2) theoretical framework put forward by Edward Suchman and Williams Conplin were discussed; Out of which this researcher based his study on the framework put forward by Edward Suchman. This is based on the “Effectiveness Criteria” of a policy when conducting an evaluative research. To find out if the policy is effective in achieving its objectives and if it is not- what could be the reason(s) with the aim of offering suggestion for Improvements.

The researcher also took a look at the structural organization of the polytechnic where it was noted that the polytechnic has a governing council that formulate policies for the Institution and a Rector as Chief Executive Officer assisted by 2 Deputy Rectors in Academic and Administration. There are also a number of Directors who reports to the Rector and Deans of colleges who report to their respective Directors. The Deans have under them 30 academic departments. The Polytechnic was established in 1950. It was at that time known as Kaduna Technical Institute. It got Legal backing by the promulgation of Decree N0 20 of 1968. The polytechnic was established to provide diverse instruction, training and research in technology, the sciences, commerce and the Humanities. Also to provide courses of in-service instruction for members of the Public Service.

After analysing the data collated and presenting the results, it was found out that the main cause of non-payment of pension to retirees as at when due was that of Lack of adequate funds. It was found out that Pension Schemes were poorly funded to take care of the benefits of the retirees whose number is on the increase. In the case of the Kaduna Polytechnic and indeed government parastatals; It was found out that the Insured Pension Scheme in operation is also causing non-payment of pension at the right time. It was found out also that the staff Record Keeping System of the Polytechnic was efficient and causes no delay to the payment of pensions.

5.2 **Summary of Findings**

The summary of the findings are that the main causes of non-payment of retirement benefits to beneficiaries was that of Lack of adequate funding of the Pension Scheme particularly as it affects the Kaduna Polytechnic. This was based on the response from the retirees themselves as presented on table 4.5 where majority (38 respondents representing 63%) agreed that lack of funding is the main issue. This was further confirmed by the response of the staff handling pension matters on table 4.16 where all the 10 respondents representing 100% said lack of funds was the main reason for non-payment of pensions as and when due. This lack of adequate funding of Pensions Scheme by the government could also be responsible for the various out cry of non-payment of pensions by the Pensioners all over the country which had hither to been identified as the statement of problem of the research.

Another finding arising from the conduct of the research is that the system of the Pension Scheme operated by the Polytechnic, that is, the Insured Pension Scheme is not helping the situation. This system delays the payment of pensions and it is not accepted by both the retirees and pension staff as they both suggested a change of the system. Tables 4.8, 4.10, 4.18 and 4.19 are relevant to this finding.

It was discovered that the Polytechnic has computerized its records keeping system such that obtaining staff data for whatever purpose is not difficult and does not waste time. Therefore staff records keeping does not in anyway affect the payment of staff retirement benefits.

5.3 **Conclusion**

From the evaluation of the management of Retirement Benefits in the Public Sector using the Kaduna Polytechnic as a case-study, the findings showed that the scheme is not effective due to inadequate funding. 60 Respondents were randomly selected from a population of 625 pensioners using a stratified sampling plan so as to avoid bias in the selection process and also to achieve maximum precision.

Three hypotheses were presented for testing, Two of the hypotheses that lack of funds and the type of pension scheme in operation was responsible for non payment was proven correct by the respondents while the third that Staff Records Keeping was also a cause was proven not correct. The objective for carrying out this research which was to evaluate the effectiveness of the scheme with a view to bringing out the reasons for complaints of non-payment of pension has been met. Recommendations to improve the effectiveness of the scheme has also been proffered.

5.4 **Recommendations**

From the findings of the research; the principal reasons for non-payment of pension as and when due are that of Lack of funds and the Type of Pension Scheme in Operation. There could be other silent reasons like mismanagement, corruption and poor records keeping in some schemes but the 2 reasons identified in the course of this research are paramount.

It is important to note that the plight of the pensioners who are the senior citizen of this great nation is of concern to almost everyone as all of us are affected in one way or the

other. It is because of this concern that the Federal government introduced the compulsory contributory pension scheme in both the Public and Private Sector. The idea of this new scheme which took effect from 1st July, 2004 is commendable. The objective of the new scheme as stated in part 1 Section 2 are to :-

- a. Ensure that every person who worked in either the Public Service of the Federation, Federal Capital Territory or Private Sector receives his retirement benefits as and when due;
- b. Assist improvident individuals by ensuring that they save in order to cater for their livelihood during old age; and
- c. Establish a uniform set of rules, regulations and standards for administration and payments of retirement benefits for the Public Service of the Federation, Federal Capital Territory and the Private Sector.

Part 11 Section 14 (1) creates National Pension Commission charged with the responsibility of implementing the objectives of this new scheme. Another important aspect of the new act is the rate of contribution in part 1 Section 9 (1) - (2)³ which are :-

- (a) in the case of the Public Service of the Federation and Federal Capital Territory-
 - (i) a minimum of seven and half percent by the employer;
 - (ii) a minimum of seven and half percent by the employee; or
 - (b) in the case of the Military -
 - (i) a minimum of twelve and a half percent by the employer;
 - (ii) a minimum of two and half percent by the employee;
 - (c) in other cases
 - (i) a minimum of seven and a half percent by the employer, and
 - (ii) a minimum of seven and a half percent by the employee.
- 2) Notwithstanding the foregoing, an employer may agree or elect to bear the full burden of the Scheme, provided that in such a case the employer's contribution shall not be less than 15% of the monthly emoluments of the employee. Pension Act (2004).
1. Although this is a welcomed development considering the way and manner our

present pensioners are treated, one would suggest that in the case of the public sector, government being the Largest employer of Labour should contribute 10% while its employee contribute 5% more so that the salary is not enough to feed and take care of other social needs.

2. The Contributory Pension Scheme is aimed at the “active” workers of the government it excludes present pensioners and those employees due for retirement in the next three years. One would therefore suggest that the Insured Pension Scheme should be discontinued and the self- Administered Scheme in which the Board of Trustee receives funding directly from the Federal Ministry of Finance be adopted as instructed by circular Pen. 921/38/S.28/195 of 30th January 1997⁵. The circular gave Boards of Trustees power to administer their Schemes and appoint its Insurance companies and Brokers. However, supervisory Ministries have refused to allow for the implementation of the provision of this circular. Which is why the Insurance Companies are not releasing funds to the Boards of Trustees as expected since their allegiance is to the parent Ministries.
3. One would also suggest an amendment of the Trust Deeds and Rules governing the operation of the scheme, especially the portion that deals with the constitution of membership of the Board of Trustees. One would suggest that the membership should be on an equal basis between the Institution and the pensioners. with more pensioners on the Board, I think complaints and accusation of management will be minimised and they would be more careful in managing the funds because “he who wears the shoes knows where it pinches”.
4. To address the back-log of unpaid benefits government should through its relevant agency after determining the amount involved; release funds directly to the Board of

Trustees with clear instructions to pay outstanding benefits and thereafter ensure adequate funding to such a time that this present system would finally give way to the contributory Pension Scheme.

In Nigeria for example the goal of any retirement benefit plan is to be able to pay pensioners regularly as at when due, any evaluation of the scheme should start by examining the existing plan for funding the scheme. This is necessary because the success of any pension schemes depends on adequate funding. The principle of funding the scheme is that Parastatals should set aside a sum equivalent to 25% employees' total annual emolument which should be placed in suitable investment portfolios. A pension scheme with this funding plan was expected to sustain itself and settle liabilities on the long run from returns on investments.

End notes

1. Pension Reform Act 2004, P. A 34
2. Ibid - P. A 35
3. Circular PEN. 921/38/S.28/195 of 30th January, 1997.

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2. Circular No. B. 63216/S.I/X/702 of 25th Primary 1993
3. Circular PEN 921/38/S.28/195 of 30th January 1997.
4. Federal Polytechnic Act 1979 Chapter 139
5. Kaduna Polytechnic Decree 1979
6. Pensions Decree. No. 102 of 1979.
7. Pension Reform Act 2004
8. Public Service Rules, 2000

ANNEX I

AHMADU BELLO UNIVERSITY ZARIA

Department of Public
Administration
Faculty of Administration
Kongo Campus
ABU Zaria.

**AN EVALUATION OF THE MANAGEMENT OF RETIREMENT BENEFITS IN
THE PUBLIC SECTOR WITH SPECIAL REFERENCE TO KEDUNA
POLYTECHNIC**

Dear Sir/Madam/Mallam,

My name is Mr J.N Zinkat an MPA research student of the Department of Public Administration, ABU Zaria. My area of research is as titled above. The research is a requirement for the award of the MPA Degree.

This questionnaire is therefore designed to evaluate the effectiveness of the management of retirement benefits in the Public Service using your institution, the Kaduna Polytechnic as a case study.

Please kindly respond to the questionnaire indicating your candid opinion on the issues addressed in the questionnaire. You are assured that your responses will be treated with utmost confidentiality.

J.N. Zinkat

APPENDIX A

SECTION A

DEMOGRAPHIC DATA FOR PENSIONERS

1. Name of organisation from which you Retired: _____
2. Post and salary level at Retirement: _____
3. No of years served: _____
4. Year of Retirement _____ How old are you -----
5. Gender: Male _____ Female _____
6. No of Dependence at Retirement: _____
7. Address after Retirement: _____
8. Current monthly pension: _____
9. Point of Receiving monthly pension: _____
10. Highest Academic/Professional qualification obtained: _____

SECTION B

QUESTIONNAIRE FOR PENSIONERS

Kindly indicate your degree of agreement or disagreement with each of the following items by using a tick to indicate your response in the appropriate column and to comment where applicable.

Test of Hypotheses 1 - Lack of adequate funding is responsible for Non-payments of benefits as at when due .

5. What constitutes your retirement benefits at retirement?

- Pensions and Gratuity

- Pension only

- Gratuity only

6. When last did you received your pension?

1 - 3 months ago

4 - 6 months ago

7 - 12 months ago

7. What do you think is responsible for this Delay?

- Lack of funds

- Bureaucracy

- No idea

8. How do you rate staff handling your benefits?

Very capable

Incapable

9. How is your standard of living to retirement

Very poor compared to when in service

Better than when in service

No change

Test of hypotheses 2 - The unified pension scheme is responsible for delay in pension payment.

4. Are you aware that your benefits are managed by an Insurance Company under a scheme known as Insured Scheme or Unified Pension Scheme (UPS)?
- Yes
 - No
 - Desk officer said so
5. If yes do you think this system is effective?
- Not effective
 - Effective
 - No Idea
6. Should this system of managing your benefits be stopped or continued with modifications?
- Should be stopped
 - Continued with modification
7. If you recommend that it should be stopped then how do you want your benefits managed.?
- By the Board of Trustees
 - By the Pensioners themselves

Test of Hypotheses 3 - The lack of proper documentation of staff records delays pension payment.

1. After retirement how long did it take you to received your benefits?
- Between 1 - 3 months
 - Between 4 - 6 months
 - Between 6 months and above

2. If very long, do you attribute it to lack of proper records?

- Yes

- No

- No Idea

3. What is your assessment of documenting staff records in Kaduna Polytechnic.

- Efficient

- Inefficient

APPENDIX 'B'

SECTION 'A'

**DEMOGRAPHIC DATA FOR STAFF
HANDLING PENSION MATTERS**

1. Name of Institution/Department -----
2. Date joined Service -----
3. No of years Served to date -----
4. Gender : Male----- Female -----
5. Position/Salary Grade Level -----
6. Duration in Pension matters -----
7. Academic qualification -----

SECTION B

QUESTIONNAIRE FOR PENSION STAFF ONLY

Test of Hypothesis I: Lack of adequate funding is responsible for Non-payment of Benefits as at when due

1. What is your position/grade level?
 - Management level (HATISS 13-15)
 - Senior Staff HATISS 07-12
 - Junior staff HATISS 01-06

2. How long have you been on pension job?
 - 1 - 5 years
 - 6 - 10 years
 - 10 years and above

3. How regular are your pensioners paid?
 - Monthly
 - Between 2-3 month
 - No actual time:

4. If irregular, what do you think is responsible?
 - Lack of funds
 - Records keeping problem
 - Bureaucracy

Test of Hypotheses 2: The Unified Pension Scheme is responsible for delay in pension payment.

5. What type of pension scheme do you operate?
 - Self administered scheme
 - Insured scheme

- No change

6. How effective is this scheme?

- Under this scheme benefits are paid promptly
- The scheme does not facilitate quick payments of benefit
- The scheme is not ideal

7. Would you suggest a change?

- Yes
- No

Test of Hypotheses 3: The lack of proper documentation of staff records delays pension payment.

8. How would you rate your records keeping?

- very efficient 75%-100%
- efficient 50%-74%
- Poor 0%-49%