



# NATIONAL PENSION COMMISSION

174, Adetokunbo Ademola Crescent, Wuse II, Abuja.

P.M.B. 5170 Wuse, Abuja, Nigeria

Tel: +234-9-4138736-40, 09-6720091, 6720094, 4133398,  
4133363

[www.pencom.gov.ng](http://www.pencom.gov.ng)

## CIRCULAR

REF: PenCom/INSP/Surv/2024/001

DATE: 10 June 2024

TO: All Licensed Pension Fund Operators

**SUBJECT: REVIEW OF SOME MATTERS RELATING TO THE ADMINISTRATION OF RETIREMENT AND TERMINAL BENEFITS UNDER THE CONTRIBUTORY PENSION SCHEME**

- 1.0 Section 4.5.4 (e) of the Revised Regulation on the Administration of the Retirement and Terminal Benefits (the Regulation) stipulates, "Payment of death benefits shall be made to the named Administrator on the Will admitted to Probate, Administrator/Legal Beneficiary(ies) in the Letters of Administration (LOA), Estate Account or as may be directed by a Court of competent jurisdiction".
- 2.0 Section 4.5.4 (g) of the Regulation stipulates, "In the event, a PFA receives two LOAs or Court Orders from two named beneficiary(ies), the PFA shall act as a mediator to facilitate reconciliation between the two parties with the view to reach an agreement on which LOA or Court Order is to be adopted for processing the benefits".
- 3.0 Section 4.5.4 (h) of the Regulation stipulates, "In furtherance to Section 4.5.4 (e) above, where the two named Administrators agree on which LOA or Court Order to be adopted, the PFA shall request the parties to indicate their consent to same and process the death benefits in line with the Terms of Agreement which shall become binding on the parties".

- 4.0 Section 4.5.4 (i) of the Regulation stipulates, "Where the two named Administrators could not reach an agreement on which LOA or Court Order to be adopted, the PFA shall refer the parties to arbitration or mediation".
- 5.0 Section 4.1 (j) of the Regulation stipulates, "a retiree shall be eligible for pension arrears, only for the period between the date of retirement and date of consolidation of his/her RSA. For retirees from self-funding agencies and the private sector, pension arrears shall be for no more than six (6) months".
- 6.0 The Commission has reviewed the submissions from the Pension Fund Operators Association of Nigeria and other relevant stakeholders concerning the above provisions of the Regulation and approved the following:

**A. Arbitration and Conciliation:** In the event a Pension Fund Administrator (PFA) receives more than one (1) Letter of Administration (LOA) or Court Order on a deceased person from the beneficiary(ies) of a deceased RSA holder, and the named Administrators cannot reach an agreement on which LOA or Court Order to adopt, the PFA shall advise the beneficiary(ies) to make recourse to the Courts that issued the LOAs for reconciliation or withdrawal of the Orders.

**B. Pension Arrears:** Retirees of Treasury - Funded Ministries, Agencies, and Departments (MDAs) of the Federal and State Governments shall be eligible for a maximum of **24 months** of pension arrears if the period between the date of retirement and the date of consolidation exceeds **24 months**



**7.0** Furthermore, the Commission has approved the following to address the concerns raised by stakeholders on the use of RSA in Second or Multiple Employment:

**A. Use of Retirement Savings Account (RSA) in Second or Multiple Employment:** Where a disengaged employee who had previously accessed his/her RSA balance due to loss of employment secures another employment and later disengages again, he/she shall not be allowed to have further access to his/her RSA due to loss of employment. Any subsequent access to the RSA shall only be in accordance with the provisions of Section 7 of the Pension Reform Act (PRA) 2014.

**8.0** This Circular takes immediate effect.

All enquiries regarding this circular should be directed to the under signed.

Thank you.



**A. M Saleem**  
**Ag. Head, Surveillance Department**