

# **WELCOME ADDRESS BY CHINELO ANOHU-AMAZU, DIRECTOR GENERAL, NATIONAL PENSION COMMISSION AT THE STAKEHOLDERS' SENSITIZATION CONFERENCE ON PENSION REFORM ACT 2014 ORGANISED BY THE NATIONAL PENSION COMMISSION AT GOLDEN ROYALE HOTEL, ENUGU ON THURSDAY 9 JULY, 2015**

1. Distinguished ladies and gentlemen, on behalf of the Board, Management and Staff of the National Pension Commission (PenCom), I welcome all of you to this important Stakeholders' Sensitization Conference on the Pension Reform Act 2014 (PRA 2014). We are honoured by the presence of very important personalities who, despite their busy schedules, found it worthwhile to accept our invitation either as facilitators or participants to this conference. I must in particular acknowledge the presence of the Executive Governor of Enugu State, Chief Ifeanyi Ugwuanyi whose presence here is noteworthy and indicates a commitment to the welfare of workers through timely pension payments. We are encouraged by the support from all stakeholders which amplifies the confidence reposed in PenCom as it strives to consolidate the Contributory Pension Scheme (CPS) and reposition pension administration in Nigeria.
2. Distinguished guests, you will recall that ten years ago, the PRA 2004 was enacted to govern the Nigerian pension reform. Arising out of a comprehensive review of its implementation, the PRA 2014 which repealed the 2004 Act, was signed into law by the President on 1 July, 2014. The purpose of this conference is therefore to sensitize stakeholders on the new provisions and developments ushered in by the PRA 2014. The first

run of the sensitization conference was successfully held in Lagos on 30 October, 2014, where experts discussed the provisions of the PRA 2014 with emphasis on issues relating to investment of pension fund assets. The second run was held in Abuja on 20 May, 2015, during which the focus was on the public sector issues, including the roles and responsibilities of Government agencies under the PRA 2014. The Enugu run which we are holding today is the third in the series of such conferences scheduled to be held in all the six geopolitical zones, and would focus on the overall developments ushered in by the PRA 2014.

3. It is pertinent to note that the Pension Reform Act 2014 re-enacted the fundamental provisions of the repealed PRA 2004, which include inter alia, the establishment of the Contributory Pension Scheme, uniform standards for pension administration as well as the National Pension Commission as the sole regulator and supervisor of pension matters in Nigeria. However, there are new developments introduced by the PRA 2014 such as the upward review of the minimum rate of pension contribution and the sanctions and penalties against infractions of the provisions of the Act. Furthermore, the PRA 2014 has introduced a provision that allows contributors seeking to own their primary homes, to apply part of their Retirement Savings Account balances as equity contribution for residential mortgage, subject to the Guidelines issued by the Commission. The process of issuing these Guidelines is already at advanced stages and it is our expectation that as soon as implemented, this would facilitate access to home ownership by pension contributors while bridging the housing deficit in Nigeria.
4. Prior to the enactment of the PRA 2014, several states in the Federation, had adopted the CPS and were at various stages of implementation. However, the scorecard for the South-East Zone has not been encouraging since no state has attained full implementation status. The

PRA 2014 has enhanced States and Local Government participation in the CPS by expressly prescribing the coverage of employees of States and Local Governments, in addition to the Federal Public service and private sector. I would therefore like to passionately appeal to all the States and Local Governments in the South-East Zone that are yet to adopt or implement the CPS to quickly embark on doing so in order to avail their employees of the numerous benefits of the Scheme while avoiding huge future pension liabilities. Recent developments with regards to inadequate finances affecting most states of the federation is a pointer to the urgent need for states to adopt the CPS. In our quest to assist the States in guided implementation, PenCom has established functional offices in the six geo-political zones including Awka for the South-East Zone. These offices have been equipped to provide the required technical assistance to States and Local Governments in their efforts to adopt and implement the CPS.

5. The PRA 2014 Act has also made provisions for voluntary participation in the CPS, thereby paving the way for the coverage of the Informal Sector through the Micro Pensions initiative. Already, the Commission has commenced a series of activities intended to kick start this initiative which focuses on the underserved segments of the Nigerian workers. PenCom is partnering with organized labour and well established trade groups in that regard. It is noteworthy that the PRA 2014 has also addressed other issues aimed at ensuring the sustainability of the CPS. These include establishment of the Pension Protection Fund and Minimum Pension Guarantee.
6. Distinguished participants, the resource persons for this conference were carefully selected in view of their wealth of experience and background. I have no doubt in my mind that they will bring their expertise to bear in today's discussions and stimulate a debate amongst participants to ensure

a better understanding and smooth implementation of the new legislation. I wish you very fruitful deliberations.

Thank you and God bless.