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CONTENTS

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   REVIEW OF LITERATURE

   NEED/IMPORTANCE OF THE STUDY

   STATEMENT OF THE PROBLEM

   OBJECTIVES

   HYPOTHESES

   RESEARCH METHODOLOGY

   RESULTS & DISCUSSION

   FINDINGS

   RECOMMENDATIONS/SUGGESTIONS

   CONCLUSIONS

   SCOPE FOR FURTHER RESEARCH

   ACKNOWLEDGMENTS

   REFERENCES

   APPENDIX/ANNEXURE

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- Bowersox, Donald J., Closs, David J., (1996), "Logistical Management." Tata McGraw, Hill, New Delhi.
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CONTRIBUTIONS TO BOOKS

- Sharma T., Kwatra, G. (2008) Effectiveness of Social Advertising: A Study of Selected Campaigns, Corporate Social Responsibility, Edited by David Crowther & Nicholas Capaldi, Ashgate Research Companion to Corporate Social Responsibility, Chapter 15, pp 287-303.

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- Schemenner, R.W., Huber, J.C. and Cook, R.L. (1987), "Geographic Differences and the Location of New Manufacturing Facilities," Journal of Urban Economics, Vol. 21, No. 1, pp. 83-104.

CONFERENCE PAPERS

- Garg, Sambhav (2011): "Business Ethics" Paper presented at the Annual International Conference for the All India Management Association, New Delhi, India, 19–22 June.

UNPUBLISHED DISSERTATIONS AND THESES

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WEBSITES

- Garg, Bhavet (2011): Towards a New Natural Gas Policy, Political Weekly, Viewed on January 01, 2012 http://epw.in/user/viewabstract.jsp

AN EMPIRICAL ANALYSIS OF CONTRIBUTION PENSION SCHEME ON RETIREES' BENEFITS IN NIGERIA

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ABSTRACT

Pension reforms were put in place to cater for old age, dwindling strength and to provide for one's sustenance after the hay days. However, lack of funding budget allocation, sustainable outstanding pension liabilities bankruptcy and ghost pensioners have contributed to the lingering pension crisis. This paper seeks to evaluate whether or not contributory pension scheme has an impact on retirees' social and economical life. In line with objective two hypotheses were formulated. The technique of data analysis in the study was the Chi-square used to compute frequency tables. We conclude that contributory pension scheme has positive impact on retirees' social and economic life in Nigeria. The study recommends an effective monitory, enforcement of provisions of the pension reform Act, 2004 and the application of penalties for non-compliers no matter their status.

KEYWORDS
Contributory Pension, Retirement benefits, retirees, Act2004, Nigeria.

INTRODUCTION

BACKGROUND TO THE STUDY

The inevitability of ageing has made retirement a natural phenomenon in the world of work. The significance of work lies in the fact that it determines that social and economic status of an individual and influences, philosophy, altitude, dressing, behavior and belief of an individual.

Pension is the amount that the employer set aside for the employee to ensure that at retirement the employee is able to fall back on something as income (Ahmad, 2006). It is the amount that is paid at regular intervals to a pension or his surviving dependants at death in consideration of his past services, age or an injury sustained and It is fixed in nature.

Pension plan according to Ahmad (2006) date back to the early 1900s. Because of harsh economic conditions the public has a need for security and as an added measure to social security; pension plan began to take greater significance in peoples mind.

Pension plans become a notable part of industrial since 1940s. The introduction of Pension Reform Act(PRA) 2004 gave the need to properly manage pension reform in Nigeria which made the traditional hay of pension (defined benefit scheme) copied from chill to be obsolete since the introduction of contributing pension scheme (CPS) each employees can track his or her pension contribution and how the pension fund administrator are investing the fraud.

The right to receive pension may be seen as the victory of labour in their fight with the employer over employee exploitation. Due to the advent of pensionable employment, the attractiveness of any employment contract is being determine in terms of whether it is pensionable or not because labour had to look forward to the enjoyment of a favourable welfare package when he leaves employment due to old age or disability.

Non pensionable jobs pay higher current salaries/ wages than the pensionable ones.

Governments all over the world get involved in pension matters by laying down the legal framework, institutionalizing pension funds management and regulation of pension schemes. Nigeria government recently overhauled the legal framework for pension administration by promulgating the pension Reform act (PRA 2004). The PRA (2004) contains the policies of the government to give an end to problems embattling pension administration in Nigeria. Also many countries have chose to take various forms of contributory pension scheme where employers and their employees are supposed to pay a certain percentage of the employee's monthly salaries/ to a Retirement Savings Account (RSA) from which they would be drawing their pension benefits after retirement due to the difficulty of administrating defined benefit scheme copied from Chile model. Besides, pension funds are now among the most important institutional. Retires during defined benefit scheme experience difficulties when they are to receive pension benefits, resulting to accumulated arrears. Poor documentation and filling in pension offices, incompetent and in experienced pension staff, poor human relations and etiquette resulted in the long delay of payment of the pension to the beneficiaries.

It is therefore against this backdrop that the study attempts to appraise contributory pension scheme the retirees on social and economic benefits of retired public servants in Nigeria. This paper is organized into five (5) sections. Following the background of the study is the review of related literature. Section three discusses the methodology employed by the researcher to conduct the study. Section four is data presentation and analysis while section five gives findings, conclusion and recommendations

STATEMENT OF THE PROBLEM

Pension scheme management in Nigeria is swamped/ overwhelmed by a lot of diverse problems. One key problem is the lack of adequate funding, because of inadequate budgetary allocations to government parrastals and institutions which have made them not to succeed in setting aside the recommended 25% for pension scheme from the total emoluments of their employees.

Another dimension of the problem are situation where pension funds are released directly to underwriters without the awareness of pension board of trustee, poor management style in pension offices, incompetent and inexperienced pension staff, poor human relations. Other problems were red tapism caused by bureaucracies, economic downturn, gross abuse of pensioners and pension funds.

Also another major problem embattling administration of pension fund in Nigeria is the non-payment or delay in pension and gratuity payment by the federal, state and local governments for instance the pension arrears was put at about #2.56 trillion as at December, 2005. In fact, pension fund administration become a thorny issue which make millions of pensioners to live in abject poverty (Orifowomo, 2006).

OBJECTIVES OF THE STUDY

The board objective of this research work is to assess the impact of pension scheme on retirees social and economic benefit in Nigeria. The specific objectives of this study are:

- To examine the effect of effective management of pension scheme on employees' welfare in Nigeria.
- To investigate effect of contributory pension scheme on economic life of pensioner in Nigeria.

RESEARCH HYPOTHESIS

Ho_1: There is no positive relationship between effective management of pension schemes and retirees' welfare in Nigeria.
Ho_2: Pension scheme has no economic benefits to pensioners.

LITERATURE REVIEW

HISTORY OF PENSION SCHEME IN NIGERIA: AN OVERVIEW

The origin of pension in Nigeria is controversial. However, the priviledge of receiving gratuity and pension appears the manifestation of victory of labour in his fight with the employers over exploitation. Nigeria's first ever legislative instrument on pension matters was the pension ordinance of 1951, which had retrospective effect from 1st January., 1964. The national provident fund(NPF) scheme established in 1961 was the first legislation enacted to address pension matters of private organizations. Eighteen (18) years later, the pension Act No.102 of 1979 as well as the armed forces pension Act No. 103 were established.
The police and other Government Agencies' pension scheme were enacted under pension Act No. 75 of 1987, followed by the local Government Pension Edict which culminated into the establishment of the Local Government staff Pension Board of 1987. The National Social Insurance Trust Fund (NSITF) scheme was established in 1993 to replace the defunct NPF scheme with effect from 1st July, 1994 to cater for employees in the private sector of the economy against loss of employment income in old age or death. Prior to the pension Reform Act 2004, most public organizations operated a Defined Benefit (Pay-as-you-go) scheme. Final entitlement was based on length of service and terminal emoluments. The Defined Benefit (BD) scheme was funded by Federal Government through budgetary allocation, and administrered by pensions Department of the office of Head of service of the Federation (Balogun, 2006).
However, the pension scheme became a great problem on the government as it could no longer cope with the payment of pension and gratuity to retirees. This was seen due to the fact that there was no plan put in place to forestall this problem . Therefore, managing and administering pension funds have continue to pose a major challenge to government in Nigeria (Okotoni and Akeredolu, 2005). Yet pension which guarantees an employee certain comfort in his or her inactive year is critical t the sustenance of the life of the individual and the society (Nkanga, 2005).
Furthermore, the pension system in Nigeria was largely characterized by pay-As-You-Go defined benefit in the public sector, which is a non-contribution pension scheme and was bedeviled by many problems. These problems really constituted a set back for the scheme as they include non-availability of records, uncoordinated administration, inadequate funding, fraudulent practices irregularities and conflicting laws, diversion of remitted or allocated fund, presence of ghost pensioners on the pension's payroll and incapacity to effectively implements budget and make adequate provisions. It became imperative to embark on reform to restore the hope of the pensioners and the entire Nigerian workers. The Federal Government of Nigeria in 2004 announced a change in the management and administration. The pension Reform Act 2004 introduced the new contributory pension scheme in the public and private sectors,. The act further put in place the establishment of the National Pension Commission to regulate, supervise and ensure effective administration of Pension matters in Nigeria. The commission was meant to achieve this role by ensuring that payment and remittance of contributions are made and beneficiaries of retirement savings account are pid assets when due. Above all, the commission will ensure the safety of the pension funds by issuing guidelines for licensing, approving regulating and monitoring the investment activities of pension fund Administrator and custodians (Ahmad,2006) and Pension Reform Act 2004.

OBJECTIVES OF CONTRIBUTORY PENSION REFORM (ACT 2004) IN NIGERIA

The following are the objectives of the new contributory pension in Nigeria as disclose in Pension Reform Act 2004

- To ensure that every person who worked in either the public service of the federation or private sector receives his retirement benefits as at when due;
- To assist individual by ensuring that they save in order to cater for their livelihood during old age;
- To establish a uniform set of rules, regulation and standards for the administration and payments of retirement benefits for the public servants and private sector workers;
- To promote wider coverage of pension scheme in Nigeria;
- To ensure transparent and efficient management of pension funds; &
- To establish a sustainable pension scheme to empower the employees to have control over retirement Salary Accounts (RSA), promotes labour mobility and minimizes incentives for early retirement.
-

SALIENT ISSUE IN THE NEW CONTRIBUTORY PENSION ACT 2004

This scheme made the employees to contribute a minimum of 7.5% of their monthly emoluments and the military to contribute 2.5%. Employers contribute 7.5% in the case of the public sector and 12.5% in the case of Military. Employers and employees in the private sector have to contribute a minimum of 7.5% each of the monthly emoluments of their employees. An employer may elect to contribute on behalf of the employees such that the total contribution shall not be less than 15% of the employees. An employer is helped to deduct and remit the Contribution to Asset Custodian Committee (PAC) within 7 days from the day employee is paid his salary while the custodian shall notify the Pension Fund Administrator (PFA) within 24 hours of the receipt of contribution. Contribution and retirement benefits are tax-exempt. However, for voluntary contributions, the tax relief is only applicable if the amount contributed or [part thereof is not withdrawn before five years after the first voluntary contribution was made (Pension Reform Act, 2004) The new pension scheme is contributory, fully funded based on individual accounts that are privately managed , supervised, regulated by pension fund Administrators reliable insurance policy.

PENSION DEFINED

Different auditors have defined pension because it is not a new economic phenomena.
Olaoye (2008) defined pension as the payment made monthly to a retired officer (pensioner) who had worked for a statutory period of years and guaranteed for a minimum of five (5) years.Ahmad (2006) defined it as the amount set aside either by an employer or the employee or even both to ensure that they fall on something at retirement. It is the amount of money monthly or regularly paid by governments or companies to who is too old to work (ie. Retired). From the above definition it can be inferred that pension is an amount which a pensioner / retiree received monthly or as specified from the government or organization in which he or she has served or worked.
In addition, is a plan for the many days after retirement and also makes the retiree not to be financially shorted when he or she retires. Pension is characterized with the following pros, some of which are: the stimulation of workers productivity, motivation of workforce for higher performance, reduction in dependency rate and with cons which are but not limited to the following; lack of adequate government management, poor funding by government which does not make for regular payment of pension, killing of the initiative capacity of beneficiaries to think about better source of income and also it is a derivative of remuneration.
Pension was established for the purpose of motivating and stimulating workers for productivity, enhancing retirees' socio – economic standards, encouraging, fairly old workers to quit work so that young minds will be absorbed into the system / service.
At the date of retirement the total or gross remuneration attached to a retiring officer's grade level or rank is pensionable emoluments. (Olaoye, 2008).
It should be noted that pension are paid in arrears just like salary.

PENSION SCHEME

This is an organized way in which employee and employer pays certain amount of money regularly into pension fund while the employee was still employed. Olurankise (2010) itemized two forms of pension scheme which are public sector and private sector schemes.

Public sector is the scheme that government funds and characterized by two benefits which are lumpsum benefit known as a gratuity and life pension payment while private sector scheme is funded by private sector scheme is funded by the private employers for their employees. It is organized more than the public sector scheme.

PENSION REFORM

Blake (2003) said that pension reform is not a new phenomenon which is in a continuous process in an ever changing economic and political process experienced in all the part of planet called earth.

PENSION FUNDING

This according to IASI9 / SAS8 as the irrevocable transfer of assets to an entity separate from the employer's enterprise to meet future obligations for the payment of retirement benefits.

It is of two types which is stated in ICAN band book SAS 8 which are defined benefit Scheme (DBS) and contributory pension Scheme (CPS). Defined benefit Scheme is the system in which the amount to be paid to pensioners are retirements are determined based on employee pensionable emolument year of service. While, contributory pension Scheme (CPS) is the Scheme is which the amount to be paid to be paid to retirees as retirement benefits are determined based on contributions made to the scheme by employer and employee together with investment earnings also contributory pension scheme, employers obligations. Usually discharged by contributions to the fund (Adesina, 2011).

In addition pension funding can also be described as the act of providing money by an employer (in defined benefit Scheme, DBS) and employer and employee in contributory scheme for employer retirement benefits at retirement.

NATIONAL PENSION COMMISSION (PENCOM)

According to Olurankinse (2010) PENCOM is the highest agency that incense, administer, regulate, supervise pension fund Administrators (PFA) for effective administration of pension in Nigeria.

It was also established because of the following reason: to formulate, direct and oversee all policy on pension matters in Nigeria to investigate pension fund administrator, custodian and other party involved in the management of funds and all also, for the purpose of sanctioning erring agencies. Section 16 pensions Act 2004 give details on the composition of this commission. In a nutshell National Pension Commission (PENCOM) was set up in by pension reformed Act 2004 as administrator of Pension fund.

FUNCTIONS OF NATIONAL PENSION COMMISSION (PENCOM)

The principal objectives of the commission include the following:

- To regulate, supervise and ensure effective administration of Pension matter in Nigeria.
- To issue guidelines for the investment of Pension funds.
- To approve, regulate, supervise and license pension fund Administrators (PFA), Pension Fund Custodians (PFC) and other institutions relating to pension matters.
- To establish rules and guidelines for the management of the pension funds under the Act.
- To maintain National Data Bank on all pension matters.
- To promote capacity building for pension fund administrators and custodians.

To investigate complaints of impropriety leveled against pension fund administrator, custodians, employer and staff In addition Section 21 of Pension Act 2004 prescribed its powers which are but not limited to the following: Fix the terms, conditions and remuneration of Commission's employees, call for information on the activities of pension fund administrators (PFA) custodians and charge and collect penalties, fees or levies as specified by the Act and also do such other things that make for the efficient performance of its functions under the Act

PENSION FUND ADMINISTRATORS (PFA_S)

A pension Fund administrator is a private organization licensed by PENCOM under the Act to manage Pension funds on behalf of contributors to the scheme. The functions of PFA_s) include:

- To invest and manage pension funds and assets in accordance with the provision of the Act
- To maintain books of accounts on all transactions relating to the pension funds strategy, market returns and other performance indicators to the commission and beneficiaries of the retirement saving accounts
- To provide customers services support to employees including access to employees including balance sheet and statement on demand

PENSION ASSETS CUSTODIAN (PAC)

The functions of the PAC includes the followings:

- To receive the total contribution remitted by the employer on the behalf of the pension fund administrators.
- To notify the pension fund administrator with in 24 hours of the receipt of contribution from an employee.
- Hold pension funds and asset in safe custody on trust for the employee and beneficiaries of the Retirement Saving Account (RSA).
- To settle transactions and undertake activities relating to the administration of pension investments including the collection of dividends.
- To report to the commission matter relating to the assets being held.
- To undertake statistical analysis of investments and return on investments.

RISK MANAGEMENT COMMITTEE (RCM)

The functions of risk management committee are as follows:

- To determine the risk profile of the investment portfolio of the pension fund administrator.
- To draw up programmes adjustments in the case of deviations.
- To determine the level of reserves to cover the risks of the investment portfolio.
- To advice pension fund administrator in maintaining adequate internal controls measures and procedure.

INVESTMENT STRATEGY COMMITTEE

The functions of the investment strategy committee are:

- To formulate strategies for complying with investment guidelines issued by the commission.
- To determine an optimal investment mix consistent with risk profile agreed by the board of the PFA.
- To review the performance of the major securities of the investment portfolios of the pension fund Administrator.

EMPIRICAL STUDIES

This study also attempts to review some of the arguments that arise from previous studies regarding the effect of contributory pension scheme on employee retirement benefit among firms. In the same vein, the first to conduct a research on this nature according to Wolk, etal and Dada (2003) were Deaton and Weygandt in the years 1968 to 1973. The study was conducted in US with a sample of 100 annual accounts of enterprises to study the extent of application and compliance with APB No.8 by firms using variables employees covered accounting and funding policies, pension policy, past and prior service cost and size of pension funds. They found that the financial statements of the sample firms in the US was very weak in compliance with pension standards but has been source of worries even in the developed countries (Revsine, etal, 2002) and (Klumpes and Whittington, 2003). Pension liabilities have been found to have long-term effects on a firm's profitability credit rating and the value of the firm's. Clerk etal 2000 reported that strict application of international accounting standards 19 revealed significant pension liabilities among leading German corporations. They concluded that the size of pension liabilities shown by the financial statements of most German firms affect their credit rating and share prices

Yaro. (2009) investigated the impact of pension administration on employer in Nigeria using primary data (Personal interview and detailed questionnaire). He used simple random sampling and purposive technique to determine the sample and analyzed the data gathered from the study with chi-square statistical method.Yaro discovered that pension administration has great impact on employee in Nigeria. Omotayo (2004) examined the impact of pension scheme on the socio-economic constitution of retirees (Pensioners) using secondary data (magazine and literature). He found that pension scheme will improve the socio-economic stands of retirees if properly monitored and implemented.

An elaborate study was conducted by Sule et al (2009) to examine the impact of contributory pension scheme application on employee retirement benefits of ten (10) quoted firms through the use of judgmental sampling and analyzed the data gathered from the study with t-Statistics. He discovered that contributory pension scheme was a major factor used in enhancing employees retirement benefits. In addition, they are recommended that National Pension Commission (PENCOM) should monitor, supervise and enforce effectively the provisions contained in the pension Act, 2004.Olurankinse (2010) investigated the impact of Nigeria Pension scheme in the public service using primary and secondary data (survey questionnaire, interviews and literature). He discovered that defined benefit scheme (DBS) was not properly administered which made retirees under the scheme to be neglected and recommended that pension administrators should properly monitor and administer the scheme.

Bassey et'al (2010) carried out a study on the overview of the pension scheme in Nigeria. He sampled sixty (60) staffs from the University of Calabar teaching Hospital, Calabar and administered on a five point likert scale. In addition, he analyzed the gathered data with the use of Chi-square The study revealed that pre and post 2004 pension scheme failure was caused by corruption, under funding, pension staff in competency.They recommended that pension laws should be trained and retrained and the proper internal control should be put in place in the pension reform commission.

Adebayo and Dada (2012) used cross sectional and longitudinal design to assess the management of pension scheme in Nigeria. A comparative study was carried out on pension reform prior to Obasanjo regime (Gowon, Abacha and Babangida) and Obasanjo regime. They revealed that the pension scheme (contributory pension scheme) introduced by Obasanjo regime would enhanced socio-economic conditions of Retirees in Nigeria that Pre-Obasanjo regime pension scheme (defined benefit scheme). Furthermore, the contributory pension scheme was adjudged to be better and secure for retirees than defined benefit scheme. Finally, the study confirmed the recommendation of previous studies of Omotayo (2004) Sule et al (2009) and Olurankinse (2010) that only proper coordination, supervision and regulation of the pension industry would enhance the effectiveness and efficiency of pension scheme management and this would equally have a positive effect on the socio-economic standards or retirees in Nigeria.

Nyong and Duze (2011) studied the significance of pension reform Act (PRA) 2004 on retirement planning in Nigeria using explanatory design and survey questionnaires for a sample of 3000 serving teachers and teacher pensioners. They discovered that the (PRA 2004) were yet to be achieved, the reason being that retirees still suffer, pains and even death before they receive their pension benefits in Nigeria which have a negative effect on the socio-economic standards of pensioners

METHODOLOGY

The researcher carried out the study in Ondo state Nigeria based on the demographic density of the state. The research design was survey design and considered suitable because of its ability to view thoroughly the significant questions raised in the study. Based on Denscombe (2003) viewed survey research design as the efficient way of collecting information a large group of respondents and the ability to use statistical methods to determine statistical importance. Also the survey is carried out by the researcher to find out: whether the socio-economic trauma experienced by retirees in the past has been eliminated with the introduction of Pension Reform Act 2004 and whether there would adequate funding and administration of the pension scheme 2004 that would secure Nigeria workers happiness after retirement. The population of study comprised of all pensionable serving teachers and retired teachers between the ages of 50-65.The reason for this age bracket is that 50-59 for serving pensionable teachers is that they would be more focused at 60. Also for retired teachers between ages 60-65 is that based on pension Reform Act (PRA), 2004 a qualified officer shall enjoy pension for a minimum of five years. They would therefore be able to give more accurate and honest responses.

A sample size of 165 was selected from the population through multi-stage random sampling technique, made up of equal numbers of pensionable serving teachers and teacher pensioners.Both primary and secondary data were used for the study. The primary data was obtained from target respondents through the use of a well structured questionnaire. Each group contained equal numbers of males and females. In additional, well briefed assistants were employed by the researcher to help administer the questions

The research questionnaire was divided into two sections. Section A was designed to obtain information on the subject details of respondents, while section B consisted of questions measuring the view of the respondents on the socio-economic benefit of pension scheme to retirees in Nigeria. Likert type scale was used to construct the questionnaire. Respondents were require to show the extent of their agreement or disagreement with each of question in the drafted questionnaire on a score of one (1) to five (5). A score of one (1) indicates strongly disagree while five (5) represent strongly agree The researcher use both descriptive and inferential statistics to analyze the data gathered

DATA PRESENTATION AND ANALYSIS

In this section, the researcher would compress data gathered to a size that would be easily understood to enable the extraction of new information from it. Analysis of data is the techniques where the researcher extracts from the data information to enable a summary description of the subjects studied to be made. The information extracted would be used to answer research questions and /or test research hypothesis. The result of questionnaires on impact of pension scheme on socio-economic life of retirees in Nigeria would be presented and analysis with the use of chi-square statistical tools to test the formulated hypothesis. The responses were from group of teacher's employees and retired teachers across the eighteen local government area of Ondo state, Nigeria

TEST OF HYPOTHESIS

Chi-square method was used to test the hypothesis formulated in tables 4.1 and 4.2. To calculate the expected frequency, this formula used is $C_1 = \underline{R_1 \text{ X } C_1}$ and

Chi-square formula $(X^2) = \dfrac{\sum(O-e)^2}{e}$

HYPOTHESIS I

$H0_1$: Contributory pension reform has no positive benefits on the social welfare of the retirees

TABLE 4.1: CHI-SQUARE (X^2) ANALYSIS SHOWING THE EFFECT OF CONTRIBUTION PENSION REFORM ON THE SOCIAL WELFARE OF THE RETIREES

RESPONSES	O	E	O-E	$(O-E)^2$	$\frac{(O-E)^2}{E}$
SD	8	33	-25	625	18.94
D	46	3	13	169	5.12
NS	105	33	72	5184	157.09
A	5	33	-28	784	23.76
SA	1	33	-32	1024	31.03
				X^2	235.94

Source: Researchers' computation

X^2 calculated =235.94

X^2 table =9.488

Since X^2 calculated (235.94) is greater than X^2 tabulated (9.4888) at 0.05 level of significance. The null hypothesis (H_o) is rejected. This implies that the effect of contribution pension reform on the social contributory pension reform on the social welfare of the retirees

HYPOTHESIS 2

H_{02}: Contributory pension reform has no economic benefits to pensioners

TABLE 4.2: CHI-SQUARE (X^2) ANALYSIS SHOWING THE EFFECTS OF CONTRIBUTORY PENSION REFORM ON THE ECONOMIC BENEFITS OF PENSIONERS

RESPONSES	O	E	O-E	$(O-E)^2$	$\frac{(O-E)^2}{E}$
SD	23	33	-10	100	3.03
D	83	33	50	2500	75.76
NS	43	33	10	100	3.03
A	13	33	-20	400	12.12
SA	3	33	-30	900	27.27
				X^2	121.21

Source: Researchers' computation

X^2 calculated = 121.21

X^2 table = 9.488

Since X^2 calculated (121.21) is greater than X^2 tabulated (9.488) at 0.05 level of significance. The null hypothesis (H_o) is rejected. This implies that the effect of contributory pension reform has significance effect on the economic benefits of pensioners

FINDINGS

It is valuable to note that the interpretation of research outcome connots a key issue in the research process. Due to this reason, the results of research must be well spelt out so that it can be reasonable and presented in such a way that it would be concisely understood. In this duration, the results of the study were used to test the hypothesis which has been presented in the previous chapter while the emerging findings were deduced with reference to specific objectives of the study.

OBJECTIVE

To appraise the contribution of pension scheme on retirees' social and economic benefits in Nigeria.

RESULT

The model was used to evaluate if contributory pension scheme had an impact on the social and economic life of the retirees sample from pensionable serving teachers and teacher pensioners in Ondo State, Nigeria. This objective was tested empirically and the result revealed that contributory pension scheme had significant impact on the social economic well being of the retirees. Similarly, it showed that the application of contributory pension scheme was a significant factor in enhancing employee's retirement/ benefits of pensionable serving teacher in Nigeria

CONCLUSION AND RECOMMENDATIONS

The broad objectives of this study were to investigate the effect of the contributory pension on employer retirement benefit of teachers in Ondo state, Nigeria. However, the contributory pension scheme was set up to be managed by pension fund administrators with benefits for employers, employees, government and society as a whole. This scheme is affected by legislation, risk management committee, investment/ strategy committee and pension fund administrators which positively affect the administration and investment opportunities for the pensioners

The results of this have revealed that there was a significant influence of contributory pension scheme on the social economic life of the retirees. We also discovered that results of the study have been consistent to the objectives of the pension reform scheme. In this direction, we have the following recommendations:

- The Government and National Pension Commission (PENCOM) must regulate and supervise, the scheme establish under the Pension Reform Act 2004.
- Government and National Pension Commission should promote capacity building and maintain National data bank for all pension matters.
- Pension operators must ensure effective implementation, compliance and application of the new contributory pension scheme that would promote employees retirement benefits.
- The regulatory agencies must enforce the implementation of the penalties provided by the Act for non compliance no matter the status of the violators.
- Government should put in place the enabling environment for smooth implementation of the scheme by firms and other operators in the pension administration.
- Vibrant legal institutions should be put in place by the government to provide support for the scheme. Pension Assets Custodian (PAC) must hold pension funds and assets in safe custody on trust for the employee and beneficiaries of Retirement Saving Account (RSA).
- On a periodic basis, a review of the performance of the major securities of the investment portfolio of the pension fund administrator should be carried out.
- Management and investment committee must determine the risk profile of the investment portfolio geared towards optimum investments that will enhance net worth and profitability of the firms.

In conclusion, the finance experts world-wide believed that contributory scheme option is the best for any economy that hopes to meet the future obligations of old age workers and to ensure their economic and social comfort after their disengagement from active service

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APPENDIX

FREQUENCIES: PENSION REFORM ACTS

FREQUENCY TABLE

Sex

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	90	54.5	54.5	54.5
	Female	75	45.5	45.5	100.0
	Total	165	100.0	100.0	

B1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	4.8	4.8	4.8
	Disagree	46	27.9	27.9	32.7
	Not sure	105	63.6	63.6	96.4
	Agree	5	3.0	3.0	99.4
	Strongly Agree	1	.6	.6	100.0
	Total	165	100.0	100.0	

B2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	23	13.9	13.9	13.9
	Disagree	83	50.3	50.3	64.2
	Not sure	43	26.1	26.1	90.3
	Agree	13	7.9	7.9	98.2
	Strongly Agree	3	1.8	1.8	100.0
	Total	165	100.0	100.0	

NPAR TESTS

CHI-SQUARE TEST

B1

	Observed N	Expected N	Residual
Strongly Disagree	8	33.0	-25.0
Disagree	46	33.0	13.0
Not sure	105	33.0	72.0
Agree	5	33.0	-28.0
Strongly Agree	1	33.0	-32.0
Total	165		

B1

	Observed N	Expected N	Residual
Strongly Disagree	8	33.0	-25.0
Disagree	46	33.0	13.0
Not sure	105	33.0	72.0
Agree	5	33.0	-28.0
Strongly Agree	1	33.0	-32.0
Total	165		

B2

	Observed N	Expected N	Residual
Strongly Disagree	23	33.0	-10.0
Disagree	83	33.0	50.0
Not sure	43	33.0	10.0
Agree	13	33.0	-20.0
Strongly Agree	3	33.0	-30.0
Total	165		

Test Statistics

	B1	B2
Chi-Square [a]	235.939	121.212
df	4	4
Asymp. Sig.	.000	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 33.0.

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