

	BENEFIT		PAYMENT		POLICY
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Last Approved by:	Board of Directors				
Author:	FCMB Pensions Limited				
Custodian title & email	Head, Benefits administration benefit@fcmbpensions.com				
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Preamble:

Introduction

This document will be known as the Benefits Payment Policy. The whole essence of this manual is to define parameters for the administration of retirement and terminal benefits in line with the Regulation on the Administration of Retirement and Terminal Benefits issued by National Pension Commission (PenCom)

These guidelines, which are considered to be the applicable minimum, have been put in place for the purpose of establishing uniform set of rules of general application of the relevant sections of the (PRA) Pension Reform Act 2014 and the Regulations on Benefits Administration issued by PenCom

The Policy shall cover all payments made with regards to either retirement or terminal benefits in FCMB Pensions Limited herein referred to as the Company.

The Policy shall classify the payment of benefits into the following categories for ease of referral:

- Lump sum/ Programmed Withdrawal (PW)/ Arrears/ Additional Lump sum
- Temporary Access to Retirement Savings Account (RSA) (25 %)
- Payment of Small balances (En bloc)
- Death Benefits
- Foreigners and Expatriates
- Annuity
- Voluntary Contributions



Purpose of the Policy:

To provide the minimum acceptable rules for the administration of both Retirement and Terminal benefits.

To ensure that FCMB Pensions Limited is well equipped to respond to a wide variety of demands for the payment of retirement and terminal benefits.

The Benefits payment Policy is important for the efficient and effective operation of the Company. It is a tool enabling:

- Individuals to get on with their jobs without needing to discuss issues each time they arise
- Participants from different parts of the Company to work towards a common goal
- Consistency and predictability throughout the Company
- Compliance with legal, regulatory and other requirements
- Quality assurance and improvement

At FCMB Pensions Limited the Payment Policy document is a statement that outlines non- discretionary principles in order to guide the company practice. The Policies apply to the Company as a whole.

A policy document must comply with all relevant legislations and rules and must be approved by the highest delegated authority, being the Board of Directors (for all new policies, standards, codes and all new or amended rules).

<u>Definition of Terms:</u>	
Arrears -	An unpaid or overdue debt that is not paid on the due date (in this case it refers to unpaid programmed withdrawal)
Commission -	This refers to the National Pension Commission (PenCom)
Custodian -	UBA Pension Custodian
En bloc payment -	Means payment of total balance in RSA
Life Insurance -	This is the proceeds of life insurance policy maintained in favor of the employee by the employer for a minimum of three times the annual total emolument of the employee under Section 4 (5) of the PRA, 2014.
Lump Sum -	A lump sum is a single payment of money as opposed to a series of payments made over time (such as annuity or programmed withdrawal)
Next of Kin (NOK) -	This is an individual named by the RSA holder (employee or retiree) as the contact person in the case of any information required in respect of the RSA holder after his demise.
NSITF -	Nigerian Social Insurance Trust Fund
PFC -	Pension Fund Custodian

Elements of the Policy:

The Policy is characterized by the following elements:

- A stated intention to ensure prompt and timely payment of benefits
- A considered, authoritative response to problems of benefits administration
- A way to achieve goals and objectives of payment
- A framework for action

Structure and layout of the Policy:

The structural layout of the Policy is as organized thus:

- Is organized into clear and logical sections
- Is logically sequenced
- Is set out with a clear hierarchy of information
- Is structured to progress from the general to the specific
- Uses informative headings
- Uses short paragraphs
- Uses a clear, user friendly design

Language of the Policy:

The policy uses language that:

- Is clear
- Is succinct
- Is unambiguous
- Non discriminatory
- Is simple – using plain English and active voice
- Is free from jargon



- Is free from unnecessary technical expressions
- Is set out using short sentences

Usefulness of the Policy:

The policy is:

- Current
- Consistent with other policy documents i.e. Pension Reform Act, 2014, Regulation for the Administration of Retirement and Terminal Benefits
- Easy to follow
- Capable of effective implementation, taking into account burdens of workloads and limitations on resources
- Going to meet the needs of intended users
- Improves the likelihood of the Company providing a quality learning and research environment

Accessibility of the Policy:

The Policy shall be accessible to all parties upon approval:

- Maintained centrally and distributed to all off location branches
- Set out with version control
- Easy to access
- Upload on FCMB Pensions Limited website



Development and Review of the Policy

The policy development and /or review should follow the Company's quality cycle of *plan, act, and review and improve*.

The *Policy Custodian* for this policy shall be the Head, Benefits Administration.

The Policy Custodian shall be responsible for this policy. The Policy Custodian is the officer that has overarching responsibility for the policy and for ensuring it is implemented, progress is monitored and reported against the policy and that it is reviewed.

In the case where a new policy, code, standard or rule is needed, a New Policy Proposal Form shall be completed. The intention of the form is to provide structure to the process of scoping a new policy and to assist in the formulation of a policy development plan.

Minor modification of the Policy

A minor change is a change to the policy that is insubstantial in nature, not affecting the meaning or intent of the policy.

Major amendment to the policy

A major amendment to the policy shall be a change that is likely to impact upon the intent of the policy or other related policies, stakeholders, aligned procedures, systems, FCMB Pensions rules or codes of practice or conduct. Major amendments shall follow the approval pathways for operational policies.

Need Analysis

The Policy Custodian shall from time to time identify all issues that could trigger a policy review or the development of a new policy.

Triggers can include:

- Policy gaps which may come through day to day operations or through consultation with retirees, Custodian, staff or other stakeholders, or changes in the environment within or external to FCMB Pensions Limited
- Legislative change (Review of the PRA, 2014)
- An accumulation of a critical mass of issues in the *Policy Issues Log*

The Policy Issues Log shall be maintained by the Policy Custodian and shall capture issues that emerge through implementation and use of the policy. The Policy Custodian shall also ensure the following:

- Develop, write and review the policy
- Consult with stakeholders
- Review and update policy to comply with relevant legislation
- Ensure consistency between the policy and any related policies, procedure, systems, codes of practice or conduct, standards, guidelines and rules.
- Develop and maintain a full and accurate record of the policy

Record management:

Ensure that a full and accurate record of the policy is developed and maintained by the Policy Custodian and the FCMB Pensions Limited Legal department.

1.1.0 RULES OF GENERAL APPLICATION

Retirement from service could be either Mandatory or Compulsory. Mandatory retirement shall be upon attaining the age of 60 years or after 35 years in active service. Compulsory retirement shall mean disengagement from service in line with terms and conditions of employment. It shall also include dismissal, termination of appointment, and severance.

- 1.1.1** Normal retirement shall be when an employee retires from active service after attaining the age of 50.
- 1.1.2** Only applications accompanied by complete documentation shall be processed for payment.
- 1.1.3** The date of completion of documentation shall be deemed to be the effective date of receipt of complete application in Benefits Administration unit of the company.
- 1.1.4** Where the RSA holder retires in accordance with article 1.2.1 of this policy, if the balance in the account of the RSA holder is below =N550,000.00, the payment shall fall under Payment of Small Balances (En bloc).
- 1.1.5** All payments of programmed withdrawal to retirees shall be accompanied by the payment of arrears where applicable
- 1.1.6** The payment of arrears of programmed withdrawal shall be recognized based on the retirement date(s) in the following order:

S/N	PERIOD	CONDITION
1	1 st - 15 th of the month	retiree shall enjoy PW for the effective month
2	16 th - 31 st of the month	retiree shall not enjoy arrears of monthly PW for the effective month

1.1.7 The reconciliation of monthly PW shall be concluded by the 10th of each month to ensure payment of PW on the 18th of the month. Any retiree not included in the schedule but entitled to PW for that month shall have his/her PW paid as part of his/her arrears.

1.1.8 Where the arrears have accumulated for years and would deplete the RSA balance, the arrears will be calculated in a manner that not more than 50% of the RSA balance is paid as lump sum and arrears.

1.1.9 Payment of lump sum shall be subject to computation based on PenCom template but shall not exceed 50% of the balance in the RSA.

1.1.10 Retirees may request for additional lump sum payment where the initial amount paid out as lump sum is not up to fifty percent of RSA balance.

1.1.11 Where additional remittances are made into the RSA of a Retiree in respect of short payment of accrued rights, request for payment of additional lump sum shall only be entertained if after re-computation of the programmed withdrawal, the maximum allowable lump sum provides for an increment. Where there is no allowance for an

increment after the re-computation, no submission shall be made to PenCom for additional lump sum payment to the retiree.

- 1.1.12** A retiree shall have the option of making withdrawals from his/her RSA either on a monthly, quarterly, semi-annual or on an annual basis. The retiree shall indicate his preference prior to the commencement of the administration of programmed withdrawal.
- 1.1.13** upon the commencement of payment, retirees can only choose an alternative payment option on a quarterly basis
- 1.1.14** Where a retiree accesses VC from the RSA after the commencement of payment of PW, the monthly PW of the retiree shall be recomputed by using the current balance in the RSA.
- 1.1.15** Quarterly payments are to run from January - March, April – June, July – September and October to December. This is to allow for orderliness and proper batching of payments. Retirees who indicate interest in joining a quarterly payment plan MUST have to wait till the end of the quarter.
- 1.1.16** Also, where a retiree wishes to terminate a quarterly arrangement in favor of a monthly payment, he/she will have to wait till the expiration of the current quarterly cycle. The request shall be accompanied by a duly signed customer instruction.
- 1.1.17** All payments of lump sum, programmed withdrawal, 25% and small balances (en bloc) MUST be accompanied by a PenCom approval.
- 1.1.18** All PenCom Approvals for payment of benefits must be paid into the beneficiaries' account within 48 hours of receipt of approval letter.

1.1.19 Payment instructions to the Custodian Bank must be accompanied by a PenCom approval of payment. The instruction sent by Benefits Administration Department of FCMB Pensions Limited to the Custodian Bank must be the same with the details in the PenCom approval.

2.0 CATEGORIES OF RETIREMENT

The three (3) main categories of retirement are:

1. **Mandatory Retirement:**

Mandatory retirement occurs upon the attainment of 60 years of age or 35 years in public service whichever is earlier. Professors are to retire at 70 years of age while non academic staffs of Universities are to retire at 65 years of age. The retirement age and length of service for the private sector is determined by the employees condition of service or the company's policy on retirement.

2. **Compulsory Retirement:**

- a. Compulsory retirement shall be disengagement from service in line with terms and conditions of employment or dismissal, severance etc. It could be retirement after 50 years but before mandatory retirement age (50 – 59 years).
- b. Retirement before 50 years in line with terms and conditions of employment.

3. **Retirement on Medical grounds:**

- a. Retirement on medical grounds could occur as a result of either mental or physical incapacity or inability to carry out the functions of one's office due to infirmity of either body or mind. Retirement letter MUST state that disengagement is based on medical grounds upon the advice of a physician/medical board.

2.1 **MISSING PERSONS**

Where an employee is missing and is not found within a period of one year from the date he was declared missing, and a board of inquiry set up by PenCom makes a determination that having regards to available information and all relevant circumstances, it is reasonable to presume that the employee is dead, the procedure for payment of death benefits shall apply. The proceeds in the RSA shall be paid out as Death Benefits.

3.0 **TYPES OF PAYMENT**

The Policy shall recognize the following types of payment: lump sum, programmed withdrawal, additional lump sum, Annuity transfer, en bloc payment, twenty five percent of RSA balance, death benefits payment, pre Act payment, NSITF, additional voluntary contributions payment and refund of employee portion of pension contributions for RSA holders exempted from the Contributory Pension Scheme.

3.0 LUMP SUM/PROGRAMMED WITHDRAWAL

3.1.1 Every request seeking approval for payment of lump sum and Programmed Withdrawal shall be transmitted electronically via Risk Management Analysis Scheme (RMAS) except in the case of Additional Lump Sum request where the RMAS platform does not support transmission, in this instance; hard copy submission shall be made to the Commission accordingly.

3.1.2 Payment request shall only be processed after funds are moved from RSA to Retiree Fund. All necessary documentation must be provided before transmission to PenCom for approval.

3.1.3 The Company shall negotiate with the retiring employee on the features of its PW products and shall also advise the retiree on all available options such as annuity.

3.1.4 A PW Agreement shall be duly executed where the retiree chooses the PW option.

3.1.5 PW Template and all other relevant documents shall be forwarded to PenCom for approval to commence the payment of lump sum and Programmed Withdrawal

3.1.6 The schedule of payment shall be transmitted to PenCom through the RMAS platform for an approval to pay Lump Sum and Programmed Withdrawal or execute a transfer to Annuity

- 3.1.7** Upon receipt of PenCom`s approval for payment, the payment instructions shall be duly signed by the authorized signatories including the Standing Payment Order instructions within 12 hours. All relevant entries shall be made and concluded within the same period
- 3.1.8** All approvals for payment of benefits from PenCom shall be paid to the respective beneficiaries within 48 hours of receipt of PenCom's Approval
- 3.1.9** Instructions for payment in both hard and soft copies shall be dispatched to the Custodian Bank within 48 hours of receipt of PenCom approval
- 3.1.10** Standing Payment Order instruction (SPO) for monthly programmed withdrawal shall be issued for a period of (12) twelve months and shall be renewed annually.
- 3.1.11** The SPO of retirees joining PW after January of the effective year shall commence from the month of payment and terminate in December and shall be rolled over for twelve (12) calendar months alongside other retirees.
- 3.1.12** The SPO shall contain the following minimum information:
- I. Name of PFA
 - II. Name of Retiree
 - III. Name of PFC
 - IV. PIN of retiree

- V. Name , address and account details of Retiree's bank
- VI. Amount to be paid
- VII. RSA balance & date
- VIII. Frequency of programmed withdrawal payments
- IX. Prepared by/Checked by/ Reviewed by
- X. Authorized Signatories

3.1.13 Monthly programmed withdrawal payment shall be effected on the 18th of every month.

3.1.14 Monthly programmed withdrawal payment shall be suspended immediately a written notification of death is issued by the Next of Kin (NOK) of the retiree

3.1.15 Instruction for the suspension of the payment of monthly programmed withdrawal shall be dispatched to the Custodian bank within 24 hours of receipt of death notification.

3.1.16 All monthly programmed withdrawal payments returned unpaid from receiving bank and is not resolved within one month shall be returned to the retiree investment account and reposted back to retiree savings account, a consecutive period of (3) three months shall be suspended and the monies refunded back to the Retiree Fund for onward remittance into the retiree's individual RSA

3.1.17 Upon lifting the suspension (or resumption) of payment of programmed withdrawal to any retiree so affected, a duly signed request for payment will be accompanied by the retirees recent

copy of bank statement, identification or in the absence of such standard I.D the retiree must be identified in person by a staff of the Company.

- 3.1.18** The request for resumption of payment of Programmed Withdrawal shall be communicated to the Custodian Bank with the issuance of fresh payment instruction duly signed by the authorized signatories. Commencement of payment to the Retiree will be within 48 hours of receipt of instruction
- 3.1.19** The amount to be paid must be the sum total of all outstanding monies returned unpaid by the receiving bank
- 3.1.20** Where the retiree desires a change of bank or account detail, this must be accompanied by a duly signed written request, upon completion and signing of a bank account update form or submission of a bank statement.

4.0 TEMPORARY ACCESS TO RSA (25 PERCENT PAYMENT)

In accordance with Section 5.2.1 of the Benefits Regulation “any employee who exits the scheme due to loss of job or in accordance with the terms and conditions of his/her employment before attaining the age of 50 years, shall be entitled to a lump sum amount of not more than 25% of the amount standing to the credit of his/her RSA”.

- 4.1.1** To qualify for 25% payment, the individual must have been out of employment for a period of at least four (4) months and must

provide evidence of non employment in form of a duly sworn Court affidavit.

- 4.1.2** Eligible RSA holder must provide the following requirements in order to have access to 25% of the balance in their RSA accounts (Table 2)

- 4.1.3** The request to PenCom for approval shall be made through RMAS Platform and the evidence of delivery generated and filed accordingly. Where the period of disengagement is less than six (6) months, submissions shall be made via hardcopy until such request can be handled by RMAS.

- 4.1.4** Upon the receipt of PenCom approval for payment of 25% of balance all relevant instructions for payment of the approve amount shall be forwarded to Fund account unit for onward transmission to the Custodian Bank for payment within 48 hours of receipt of PenCom approval

- 4.1.5** Payment of 25 percent of RSA balance shall apply to all RSA holders who are out of employment regardless of the mode of exit so long as they have been out of a job for a period of at least four (4) months. The client can only have access to 25% payment once before retirement.

5.0 PAYMENT OF DEATH BENEFITS

- 5.1.1** The NOK shall notify FCMB Pensions Limited of the death of a client with the following documents.
- 5.1.2** All requests for the payment of Death Benefits shall be accompanied by the under listed documents before any submission is made to PenCom for an approval to release death benefits to the NOK:
- I. Letter of Administration
 - II. Satisfactory means of identification of NOK(s)
 - III. Two (2) passport photos of the NOK(s)
 - IV. Bank Account Confirmation or Account update form.
 - V. Letter of Authority (where applicable)
- 5.1.3** Where a consent letter becomes needful, it shall be in the form of an affidavit issued by a Court of competent jurisdiction. An exception could be made where the NOK on the data base is a minor. Where the NOK on the data base cannot be reached or willfully refuses to provide documentary evidence of consent within a reasonable time frame of five (5) working days, the duly appointed Administrator or Executor of the Estate of the deceased shall take charge accordingly.
- 5.1.4** Where the NOK on the Letter of Administration is deceased, the other party shall provide satisfactory evidence of demise such as a Death Certificate
- 5.1.5** The Company shall, not later than 48 hours after the confirmation of the Letter of Administration or Will admitted to Probate, request the



Commission's Approval for the release of the benefits to the designated NOK

- 5.1.6** Request for approval to the Commission for the release of Death Benefits to the designated NOK shall be delivered through the RMAS platform and evidence of delivery maintained accordingly

- 5.1.7** Request for approval to the Commission for the release of death benefits to the designated NOK shall be accompanied by all the documents in section 3.1.1 of this Policy and a statement of account showing balance in RSA of the deceased

- 5.1.8** Where the Letter of Administration or Will admitted to Probate contains more than one designated NOK the account to be paid into shall be a joint account or the co Administrator(s) may provide a duly sworn court affidavit consenting to payment into the bank account of one individual

- 5.1.9** Approval for the payment of death benefits shall be paid to the respective beneficiary (ies) within 48 hours of receipt of PenCom`s approval

- 5.1.10** Benefits Administration Department shall keep proper records of all requests for the payment of death benefits made in respect of a deceased RSA holder.

5.1.11 The initial payment of Death Benefits shall be accompanied by a PenCom approval and subsequent payments shall be treated to bank directly and monthly report of transaction rendered to PenCom in line with approved PenCom reporting template.

Monthly contributions made into the RSA after the demise of the RSA holder shall be considered as excess contributions. Where payment is to be made from such RSA, the excess proceeds shall be isolated, while the valid portion is paid to the beneficiary (ries) accordingly. The excess proceeds shall be refunded to the relevant employer or PenCom after the conclusion of reconciliation.

5.1.12 All such inflows shall be released to the designated NOK(S) within 48 hours of crediting the RSA account of the deceased.

5.1.13 The Company, upon receipt of the PFC's notice of payment, shall inform the NOK (s) of the payment within 48 hours of such payment

6.0 EXCESS CONTRIBUTIONS IN DECEASED RSA

6.1.0 Where excess Contributions has been duly determined in the RSA i.e. where there are monthly Contributions in the RSA of the deceased after the effective month of demise, no portion of the Contributions shall be paid out until and unless the schedule of Outstanding Contributions or refund is duly sent by FGN Contributions department of PenCom

6.2 PAYMENT OF BENEFITS IN RESPECT OF APPROVED EXISTING SCHEME

6.2.1 Where FCMB Pensions is required to pay retirement and death benefits under an approved Existing Scheme, the terms and conditions provided by the Trust Deed and the internal rules and regulation for the approved existing scheme shall be adhered to.

6.3 PAYMENT OF RETIREMENT BENEFITS TO RETIREES WHO ARE INCAPACITATED

6.3.1 This covers cases involving retirees who have various forms of chronic health situations like memory loss, immobility, paralysis and general levels of incapacity that prevent physical identification and communication. These cases may lead to two categories of incapacitation which are:

- i. Mental Incapacitation**
- ii. Physical Incapacitation**

6.3.2 In the case of the retiree with mental incapacity, the NOK(s) or other relation(s) may apply to the court for appointment as a “Special Guardian” for the purpose of processing applications for accessing his retirement benefits

6.3.3 The application should be accompanied by a medical certificate issued by a suitably qualified physician indicating the person`s medical status

6.3.4 Regarding the retiree with physical incapacitation, their mark (thumb print) should be affixed on the relevant document(s) with an appropriate jurist, where applicable, and executed in the

presence of and authenticated by a notary public or any court judge, magistrate, consul or representative of Nigeria

6.3.5 The retiree who qualifies under this category shall be paid a lump sum and placed on monthly Programmed Withdrawal regardless of the age of the retiree i.e. he or she does not need to attain the qualifying age of 50 years

6.3.6 Where suitably qualified medical personnel recertifies the individual fit for active service and s/he is duly re employed. FCMB Pensions shall suspend the payment of monthly Programmed Withdrawal until the individual retires either mandatorily or is retired compulsorily or otherwise.

7.0 PAYMENT OF BENEFITS TO RETIREES UNDER THE STATE PENSION SCHEME

7.1.1 The Contributory Pension Scheme has been adopted by various states in the country and where the Scheme has been embraced by the state, a law equivalent to the PRA, 2014 has been enacted by the State Assembly and duly endorsed by the Executive Governor of the state.

7.1.2 The administration of both retirement and terminal benefits to the Contributors retiring from the states shall be in accordance with the extant provisions of the relevant law. All requests for payment of benefits arising from there shall be transmitted to PenCom for approval accordingly.

8.0 ANNUITY

Annuity for the purpose of this policy manual shall be Life Annuity for the lifetime of the retiree. The retiree is at liberty to purchase life annuity or programmed withdrawal.

- 8.1.1** The retiree shall formally inform the Company of his/ her intention to purchase an annuity for life. FCMB Pensions Limited shall provide the retiree with a statement of account for the purpose of obtaining an Annuity quote from his/her chosen insurer.
- 8.1.2** Where the retiree chooses the Life Annuity, the retiree shall, based on the RSA balance provided obtain a quote for Life Annuity from the list of approved eligible Insurance companies, as will be provided every quarter from the National Insurance Commission (NAICOM).
- 8.1.3** The retiree shall provide the company with a Provisional Agreement from his/her chosen insurance company.
- 8.1.4** The Company shall within 7 days from the receipt of application from the retiree, seek approval from PenCom to transfer the agreed premium to the insurer. The request should be accompanied by a copy of the provisional agreement.
- 8.1.5** Where the retiree chooses to collect a lump sum amount, this shall be included in the request to PenCom, upon approval, the lump sum shall be paid into the retiree's bank account, while the remaining balance is transferred into the bank account of the PFC of the Insurance company.
- 8.1.6** FCMB Pensions Limited shall instruct the PFC to effect transfer of funds as detailed in
the PenCom approval.



8.1.7 Where a retiree has purchased a life annuity, he/she shall not be allowed to change to programmed withdrawal.

9.0 PAYMENT OF EXCESS CONTRIBUTIONS IN RETIREE ACCOUNTS

9.1.1 Where excess contributions have been remitted into the account of the retiree before the submission of request to PenCom for an approval to commence the payment of benefits, the excess amount shall be excluded from the RSA balance and the submission to PenCom shall be less the excess amount. Arrangements shall be made to refund the excess amount to PenCom as soon as practicable.

9.1.2 Where PenCom demands for such excess contributions after the collection of lump sum by the retiree, the amount shall be deducted from the balance outstanding in the retirees' account and the programmed withdrawal re-computed using the net RSA balance

9.1.3 Where the resulting balance is lower than 50% of his / her initial programmed withdrawal the Company shall revert to PenCom with such computation for further advice.

10.0 FOREIGNERS

Foreigners can have full access to their RSA and it shall be administered to them en bloc upon qualification, provided they present evidence of relocation to own country.

10.1.1 Request for approval shall be sent to PenCom through hardcopy submission.

10.1.2 Application(s) for refund of pension contributions by refugee(s) must be accompanied by a transfer letter from the Refugee Commission alongside other relevant documents confirming relocation outside Nigeria.

11.0 SMALL BALANCES (EN BLOC)

Upon attainment of 50 years of age, retirees can have full access to their RSA balance en bloc provided their balances are less than N550, 000.00.

This shall be paid directly to the bank account of the retiree and the RSA is flagged and considered closed.

11.1.3 Applications under this category shall be transmitted to PenCom for approval through the RMAS platform.

12.0 NSITF CONTRIBUTIONS

12.1.1 NSITF contributions shall be paid en bloc to retirees upon request for payment

13.0 PAYMENT OF BENEFITS TO RETIREES UNDER THE STATE PENSION SCHEME

13.1.1 The Contributory Pension Scheme has been adopted by various states in the country and where the Scheme has been embraced by the state, a law equivalent to the PRA, 2014 has been enacted by the State Assembly and duly endorsed by the Executive Governor of the state.

13.1.2 The administration of both retirement and terminal benefits to the


Contributors retiring from the states shall be in accordance with the extant provisions of the relevant laws. All requests for payment of benefits arising therefrom shall be transmitted to PenCom for approval accordingly.


14.0 REVIEWS AND ENQUIRIES

14.1.0 This Policy is subject to review three (3) years from the date of approval.

TABLE 1

	BENEFIT	SANCTION	POLICY
S/N	OPERATIONAL ISSUE	MINIMUM STANDARD	SANCTION FOR BREACH
1	Wrong capture of data on Standard Notice of Retirement	Personal and employment details must be duly filled and captured accurately on the Standard Notice of Retirement	1 st time-caution 2 nd time-warning 3 rd time-final warning 4 th time-termination of employment
2	Deliberate registration of wrong retiree data on Document Master List	Personal and employment Information must all be accurate on the document register	1 st time-termination of employment
3	Negligent registration of wrong retiree data on Document Master List	Personal and employment Information must all be accurate on the document register	1 st time-caution 2 nd time-warning 3 rd time-final warning 4 th time-termination of employment
4	Deliberate demand or solicitation and acceptance of inducement either in cash or in kind	Solicitation for inducement is unacceptable	1 st time-Dismissal
5.	Deliberate document suppression leading to delay in payment of benefits	Any document delivered in respect of payment of benefits must be attached immediately to the retiree package and updated on the Document Master List within 24 hours	1 st time-final warning 2 nd time-termination of employment
6.	Unjustifiable delay in processing benefit application	Applications must be treated timely and advanced to the next unit for processing within 24 hours	1 st time-warning 2 nd time-final warning 3 rd time-termination of employment
7.	Wrong archiving of benefit applications and	Every benefits application package /payment instruction	1 st time-warning 2 nd time-final warning 3 rd time-termination of

	<p>payment instructions</p> 	<p>must be stored correctly in accordance with the adopted filing convention and every associated document must be attached to the correct package within 24 hours of receipt</p>	<p>employment</p>
8.	<p>Misplacement of retiree application package</p>	<p>Every retiree benefit application package must be filed appropriately</p>	<p>1st time-warning 2nd time-final warning 3rd time-termination of employment</p>
9.	<p>Late debiting of RSAs after payment to retirees</p>	<p>RSAs are to be debited immediately after dispatch of payment instruction to the Custodian</p>	<p>1st time-caution 2nd time-warning 3rd time-final warning 4th time-termination of employment</p>
10.	<p>Unjustifiable delay in refund to PenCom</p>	<p>All refunds of Accrued Rights and Outstanding Contributions to PenCom must be done within the time frame specified by PenCom</p>	<p>1st time-warning and recovery of any penalty imposed on the Company 2nd time-final warning and recovery of any penalty imposed on the Company 3rd time-termination of employment</p>
11.	<p>Refusal to give information or respond to retiree enquiries</p>	<p>Usual benefits related requests for status update on benefits application or payments must be responded to within 24 hours after receipt of request</p>	<p>1st time-caution 2nd time-warning 3rd time-final warning 4th time-termination of employment</p>
12.	<p>Refusal to update Client information</p>	<p>Every update form or written instruction must be attached to the clients' package within 48hours of receipt</p>	<p>1st time-caution 2nd time-warning 3rd time-final warning 4th time-termination of employment</p>
13.	<p>Divulging confidential information to</p>	<p>Confirmation of the other party must be done before</p>	<p>1st time-Summary dismissal</p>

	wrong party 	confidential information is divulged except under operation of the law	
14.	Submission of incomplete or inaccurate returns	Returns must be rendered completely and accurately.	1 st time-caution 2 nd time-warning 3 rd time-final warning 4 th time-termination of employment
15.	Late or non-submission of periodic returns	Periodic returns must be rendered before the deadline dates given by PenCom.	1 st time-warning and recovery of any penalty imposed on the Company 2 nd time-final warning and recovery of any penalty imposed on the Company 3 rd time-termination of employment
16.	Delay or non delivery of payment instruction to the Custodian after signing by the authorized signatories	All duly signed payment instructions must be delivered to the Custodian within 24 hours of execution	1 st time-caution 2 nd time-warning 3 rd time-final warning 4 th time-termination of employment
17	Wrong determination of ATE or deliberate distortion of ATE for higher lump sum payment	ATE must be determined correctly at all times in line with guidance note issued by PenCom	1 st time-warning 2 nd time-final warning 3 rd time-termination of employment
18	Errors in processing payment schedules	Payment schedules and instructions must be meticulously prepared and free of material errors	1 st time-caution 2 nd time-warning 3 rd time-final warning 4 th time-termination of employment
19	Delay in preparation and presentation of monthly programmed withdrawal	Payment of monthly programmed withdrawal to retirees must not exceed the 24 th of every month	1 st time-caution 2 nd time-warning 3 rd time-final warning 4 th time-termination of employment

	payment schedule to the Custodian for payment		
20	Negligent delay in lodging Life Insurance Cheque into FCMB Pensions s bank account	All Life Insurance instruments (cheques) must be lodged in the appropriate bank account within 24 hours of receipt	<ul style="list-style-type: none"> 1st time-caution 2nd time-warning 3rd time-final warning 4th time-termination of employment

TABLE 2

LUMP SUM AND PROGRAMMED WITHDRAWAL		
S/NO	DOCUMENTATION REQUIREMENT	REMARK
1	Letter of Retirement/Acceptance of Retirement	
2	Programmed Withdrawal Template	
3	Birth Certificate or Declaration of Age	
4	Last Pay Slip or Evidence of Annual Total Emolument	
5	Two (2) Passport Photographs	
6	Most recent RSA statement	
7	Duly filled Standard notice of retirement form	
8	Duly signed FCMB Pensions Limited Retirement Form	
8	Duly signed and stamped Confirmation of Bank account details	
9	Duly signed Retiree Indemnity Form	
10	Duly executed Programmed Withdrawal Agreement	
MEDICAL GROUND		
2	DOCUMENTATION REQUIREMENT	REMARK
1	A letter from a certified medical board stating either mental or physical incapacity	In addition to the requirements for lump sum and programmed withdrawal
2	A letter from Employer acknowledging retirement based on medical ground	
LOSS OF JOB (25% PAYMENT)		
3	DOCUMENTATION REQUIREMENT	REMARK
1	Letter of Retirement/ Disengagement or a duly sworn affidavit quoting date of disengagement from a court of competent jurisdiction shall be acceptable.	
2	Birth Certificate and Declaration of age	
3	Evidence of remittance of retirement benefits by employer	
4	2 passport sized photographs	

5	Court affidavit of non employment for four (4) months	
6	Bank confirmation of account or duly signed FCMB Pensions Limited bank account confirmation form.	
g	Written application requesting for 25% payment.	
h	Valid means of identification (Driver's license, National ID or International passport).	
i	Duly filled standard notice of retirement.	
4	NOTICE OF DEATH	
S/NO	DOCUMENTATION REQUIREMENT	REMARK
1	Medical Certificate of death/Cause of Death	this is required for the application for the
2	Certificate of Registration of death	remittance of accrued right and determination of contributions
3	Evidence of registration with Pension Fund Administrator indicating Personal Identification Number(PIN) or Death Benefit Account Number(for employees that died without RSA)	
4	Copy of transfer of service(where applicable)	
5	Police Report(if death is by accident)	
6	Declaration of wish/evidence of nomination of next of kin	
7	Copy of Letter of First Appointment	
8	Copy of Declaration of Age	
9	Copy of authenticated (stamped) Pay Slip/evidence of grade level and step as at 30th June 2004	
10	Copy of authenticated (stamped) Pay Slip/evidence of grade level and step as at January, 2007	
11	Copy of authenticated (stamped) Pay Slip/evidence of grade level and step as at June, 2010	
12	Copy of authenticated (stamped) and step as at month of demise.	
13	Last promotion letter	
14	Letter of Introduction from MDAs (to be signed by two signatories one of whom must be	

	an officer not below the rank of Assistant Director in the Personnel Department and the Pension desk Officer of the MDA) should include all the following information.	
	i Date of birth	
	ii Date of first appointment	
	iii Date of death	
	iv Salary structure, grade level and step as at June,2004	
	v Salary structure, grade level and step as at January,2007	
	vi Salary structure, grade level and step as at June,2010	
	vii Salary structure, grade level and step as at the month of death.	
	Viii Effective date of transfer of service(where applicable); and	
	ix Name of the Next-of-Kin.	

5 DEATH BENEFIT PAYMENT		
S/NO	DOCUMENTATION REQUIREMENT	REMARK
1	Letter of Administration	Additional documents required before payment
2	Satisfactory means of identification of NOK(s)	
3	Two (2) passport photos of the NOK(s)	
4	Bank Confirmation of account details	
5	Letter of Authority (where Applicable)	

6 FOREIGNERS AND EXPARTRAITES		
S/NO	DOCUMENTATION REQUIREMENT	REMARK
1	Duly filled Standard notice of retirement.	

2	Written application.	
3	Letter of Retirement/ Disengagement	
4	Birth certificate or Declaration of age	
5	Evidence of remittance of retirement benefits by employer(private sector only)	
6	2 passport sized photographs	
7	Bank confirmation of account or duly signed FCMB Pensions Limited bank account confirmation form.	
8	Valid means of identification (Driver's license, National ID or International passport)	
9	Letter from employer showing clients wish to go back to his home country	
7	ANNUITY	
S/NO	DOCUMENTATION REQUIREMENT	REMARK
1	The name of the proposed annuitant	
2	The full bio-data of the proposed annuitant	
3	The premium	
	i. With lump sum; and	
	ii. Without lump sum	
4	The agreed monthly/quarterly Annuity payments	
5	The agreed guaranteed period	
6	The expected commencement date	
7	The amount of arrears of Annuity payments (if any) and	
8	Retiree's bank details	
9	Bank details of the proposed Insurer	

8	VOLUNTARY CONTRIBUTION	
S/NO	DOCUMENTATION REQUIREMENT	REMARK
1	Letter of Request for AVC	
2	Recent pay slip or Letter of appointment	
3	Passport sized photographs	
4	Bank Confirmation of account number	
5	Valid ID Card	
6	Duly filled FCMB Pensions Limited AVC Withdrawal Form	
7	Tax Identification Number (TIN) account confirmation form.	
8	Valid means of Identification (Driver's license, National ID or International passport)	

9	SMALL BALANCES (ENBLOC PAYMENT)	
S/NO	DOCUMENTATION REQUIREMENT	REMARK
1	Duly filled Standard notice of retirement.	All retiree account balances less than
2	Written application.	N5,500,000.00 fall under this category
3	Letter of Retirement/Disengagement	
4	Declaration of age	
5	Evidence of remittance of retirement benefits by employer(private sector only)	
6	2 passport sized photographs	
7	Bank confirmation of account or duly signed FCMB Pensions Limited account confirmation form	
8	Valid means of identification(Driver's license, National ID or International passport)	
9	Letter from employer showing clients wish to go back to his home country	
10	Letter from embassy showing clients wish to go back to home country.	



PENSIONS