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PENSION ADMINISTRATION AND RETIREES WELFARE IN NIGERIA: A STUDY OF IMO STATE CIVIL SERVICE (2011 – 2022)

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ABSTRACT

This study has examined pension administration and retirees welfare in Nigeria using Imo State Civil Service (2011 – 2022) as the focal point. The study focused on identifying the challenges in contributory pension management. In line with that, three corresponding research questions and hypotheses were formulated and used. The study used structural functional theory as the framework of analysis. Furthermore, in the research method, survey research design was used and questionnaire/oral interview served as the primary instrument of data collection. The data collected were analyzed using mean statistics and Pearson product moment correlation coefficient. It was discovered that inadequate policy significantly affects pension management and employees' retirement benefits, there is significant relationship between corruption and pension scheme and poor pension management affects employees' retirement benefits. Based on the findings, it was recommended that there is need for the amendments of the pension policy to make it favourable for the employees; hence making the government to contribute money and the employees to contribute less. Also, there should be high level of transparency, accountability and probity in the pension management so as to identify and stop all forms of corrupt practices.

Key Words: *Pension Administration, Retirees Welfare, Imo State Civil Service, Inadequate Policy, Pension Management, Employees' Retirement Benefits, Corruption, Pension Scheme and Poor Pension Management.*

INTRODUCTION

In any organize system, an employee who has worked for an organization for some years is entitled to some benefits which could be in form of gratuity and pension payable to such employee by its employer at the time of retirement. This means that the impact of pension administration in retirees' welfare cannot be overemphasized (Ahmed, Abayomi & Nureni, 2016). To them, the issue of pension management is a tool that affects employment decision in a given organization, for it refers to as a form of income that employees or their beneficiaries' receive after retirement, become disabled or die. It is one of the solid security attributes approved by the International Labour Organization (ILO) Convention No. 102 which has worked hard on social security matters since 1919 and more so since 1966 against all arguments that have been advanced, including the freedom of the individual worker to live life the way he deems fit with his hard earned money without being burdened with pension issues.

Thus, pension is simply the amount set aside either by employer or employee or both to ensure that at retirement, there is something for employees to fall back on as income. It is referred to as a sum set aside for retirement purposes. It is a form of arrangement that hopes that at retirement, retirees will not be stranded financially. Furthermore, pension reform is not a new issue in any part of the world. It is usually a continuous process especially with the ever changing economic and political processes witnessed everywhere in the world (Blake, 2003). Pension is viewed as a sum of money paid regularly to a person who no longer work because of old age, disability or retirement or to his widowed or dependent children by the state, former employers or from provident fund to which he and his employer both contributed. Here, Uzoh and Anekwe (2018) observe that the pension system was introduced in Nigeria by the colonial administration. The first legislative document on pension in Nigeria was the 1951 pension ordinance which had retroactive effect from January, 1946. It provided the public servants the rights both for pension and gratuity.

Nigeria has operated various social protection schemes but they had only operated in the public sector (Ahmed, 2006). Until 2004, Nigeria had operated particularly in the public sector a Defined Benefit Pension Scheme (pay-as-you-go) which was largely non-contributory. Final entitlement for a retiree was based on length of service and terminal emoluments. It was funded by the Federal Government through budgetary allocation. The scheme was marred by many problems; government could no longer cope with payment of pension and gratuities of workers mainly because there was no plan put in place; there was non-availability of records; uncoordinated administration and inadequate funding; outright fraud and irregularities; diversion of allocated funds; and presence of ineligible pensioners on the pensions payroll (Ahmed, 2006; Uzoh & Anekwe 2018). These problems associated with payment of pension in Nigeria necessitated the reform of pension administration during Obasanjo's regime as a civilian president giving birth to the Pension Reform Act of 2004.

The Pension Reform Act was also meant to address the manifested loopholes in the old Defined Benefit Pension Scheme and provide adequate resources to retirees (Odia & Okoye, 2012). It is also guided by the key principles of sustainability, accountability, equity, flexibility, and practicability. The new Pension Scheme is contributory and fully funded. Money is contributed into the individual employee's Retirement Savings Account (RSA). This is what distinguishes it from the old scheme. There is private third party custody of the funds and assets are based on individual accounts. It covers all employees in the public service of the federation, the Federal Capital Territory and the private sector of the economy (Olanrewaju, 2011). All pensioners after 2007 come under this scheme. Pension contributions are paid directly to the Pension Fund Custodians (PFC) to be held on the order of Pension Fund Administrators (PFA). The new pension scheme is mandatory for all categories of employers and employees covered under the Pension Reform Act. Movement from one employment to another does not affect the new scheme.

However, years after the establishment of the new scheme there are still speculations about the success of the scheme (Ikeji, Nwosu & Agaboh, 2011). Workers are skeptical of the success of the new scheme mainly because of the failure of all the previous schemes. Some Nigerian workers have retired from their various places of work without a reliable pension scheme due to the failure by their employer to key into the scheme or failure to remit deductions to the appropriate pension manager. A review of the compliance reports forwarded by Pension Fund Administrators (PFAs) to the commission during the first quarter of 2015 revealed that issues of non-compliance with investment limits by some PFAs; delay in the payment of retirement benefits; receipt of pension contributions without appropriate schedules; unresolved customer complaints; and non-implementation of disaster recovery plans are still weighing down the scheme (Ogah, 2016). Subsequently, the commission conveyed these issues to the concerned operators as well as monitored them in their efforts at resolving them.

The commission retained the services of consultants in order to follow-up and concludes work on the recovery of outstanding pension contributions and penalty from defaulting employers (Ogah, 2016). There has also been the Pension Reform Act of 2014 signed into law by former President Dr Goodluck Jonathan to further strengthen pension administration in Nigeria. The Act was designed to bring more certainty to the future by ensuring that Nigerian workers have more security in retirement. As such, the Pension Reform Act 2014 made provisions to further improve efficiency and accountability in pension administration in the polity by placing further emphasis on protecting pension contributions (Eme, Uche & Uche, 2014). This recent contributory pension scheme is a fully funded pension scheme that generates adequate funds through certain percentage of contributions from monthly earnings by both employee and employer through a form of savings.

STATEMENT OF THE PROBLEM

Pension as a scheme is designed to cater for the welfare of the pensionable retired workers both in the public and organize private sectors. The working lives of employees move continuously towards a certain direction that is, from employment, to grow, to retirement. Some are fortunate to save enough money to take them through the retirement period; while majority leaves the service with little or no savings at all. The above issue necessitated this study on pension scheme. The pension scheme in Nigeria has experienced a highly deficient service delivery regardless of the growing numbers of pensionable public outlets of the public sector service. Nigeria has undergone public service reforms which were triggered off by the quest for efficient and effective public service provision. Here, the growing financial requirements to address increasing pension debt structures (retirement benefits) necessitated the different reforms over time in Nigeria.

However, the retirement benefit planning as an exercise in Nigeria and the world over is fraught with many challenges. The Nigerian workers are especially challenged by low levels of income and savings as well as huge family and social responsibilities, hence complication of retirement benefit planning. the average life expectancy of Nigerians somewhere around 54 years, with a large number of Nigerians living up to 80 years and some 90years also inflate the outrageous conditioning of the Nigerian worker. The grossly inefficient pension arrangement in Nigeria for pensioners destroy the chances of workers to contribute to their pension arrangement based on the Pension Reform Act 2004 with most workers tending to the needs of their old relations who also doubled as unpaid pensioners. Managing and administering pension funds have continued to pose a major challenge to government in Nigeria. Yet, pension which guarantees an employee certain comfort in his or her inactive year is critical to the sustenance of the life of the individual and the society. In our society today, most workers are not covered by any reasonable form of retirement benefit arrangement while the few schemes suffer from poor management.

OBJECTIVES OF THE STUDY

The general objectives of this study focused on pension administration and retirees welfare (2011 – 2022). The specific objectives of the study are to:

1. examine if inadequate policy significantly affects pension management and retirees welfare in Imo State civil service.
2. find out if corruption in the pension scheme affects retirees welfare in Imo State civil service.
3. identify if poor pension management affects retirees welfare in Imo State civil service

RESEARCH QUESTIONS

Based on our objective of the study, the following research questions will be applied.

1. How does inadequate policy significantly affects pension management and retirees welfare in Imo State civil service?
2. How does corruption in the pension scheme affects retirees welfare in Imo State civil service?
3. How does poor pension management affects retirees welfare in Imo State civil service?

RESEARCH HYPOTHESES

Based on our objective of the study and research questions, the following research hypotheses will guide the study.

Ho1: Inadequate policy does not significantly affect pension management and retirees welfare in Imo state civil service State.

Ho2: Corruption in the pension scheme does not affect retirees welfare in Imo state civil service State.

Ho3: Poor pension management does not affect retirees welfare in Imo state civil service State

CONCEPTUAL REVIEW

Concept of Pension

The concept of pension has been variously defined by scholars in social science and others. Robelo (2002) asserts that pension is also a method whereby a person pays into pension scheme a proportion of his/her earnings during his working life. The contributions provide an income (or pension) on retirement that is treated as earned income. This is taxed at the investor's marginal rate of income tax. On the other hand, gratuity entails a lump sum of money payable to a retiring officer who has served for a minimum period of time. Adams (2005) in his assessment of pension, declares that pension is the amount paid by government or company to an employee after working for some specified period of time, considered too old or ill to work or have reached the statutory age of retirement. Similarly Ozor (2006) explains that pension consists of lump sum payment paid to an employee upon his disengagement from active service. He further stated that pension plans may be contributory or non-contributory, fixed or variable, group or individual, insured or trustee, private or public, and single or multi-employer.

A pension is a contract for a fixed sum to be paid regularly to a pensioner, typically following retirement from service. It is different from, severance pay because the former is paid in regular installments while the latter is paid in one lump sum (Eme, Uche and Uche, 2014). A pension plan created by an employer for the benefit of employees is commonly referred to as an occupational or employer pension. Labour Unions, the government and other organizations also fund pensions. Many pension plans also contain an additional insurance aspect, since they often will pay benefits to survivors or disabled beneficiaries. Ayegba et al (2013) describe the term pension as payments a person receives upon retirement, usually under pre-determined legal and/or contractual terms. The Nigerian new Pension Scheme increased the coverage of the Defined Contributory Pension Scheme in the private sector entities with three employees and above, in line with the drive towards informal sectors participation. Thus, pension is simply the amount set aside either by employer or employee or both to ensure that at retirement, there is something for employees to fall back on as income.

It is referred to as a sum set aside for retirement purposes. It is a form of arrangement that hopes that at retirement, retirees will not be stranded financially. According to Adebayo (2006) and Ugwu (2006), there are four main classifications of pensions in Nigeria, namely, retiring pension, compensatory pension, superannuating pension and compassionate allowance. This was supported by Amujiri (2009) who define compassionate allowance as a pension scheme that is not admissible or allowed on account of a public servants removal from service for misconduct, insolvency or incompetence or inefficiency. In the same vein, Dhameji and Dhameji (2009) link commitment to motivation and opined that commitment is also tied to how well an employee is motivated. Motivation here entails the process of influencing employee's behaviour towards the attainment of organizational goals. Accordingly, Sule and Ezugwu (2009) assert that a good pension guarantees employee's comfort and commitment to the organization during his/her active years. There are many features of the contributory pension scheme.

Concept of Retirees Welfare

In view of Ayegba, James and Odoh (2013), retirees welfare or retirement benefits can consist of monthly payments to former employees or a lump sum upon attainment of a specified retirement age, and may include additional payments in case of death or disability. In his opinion, McGill (2014) states that retiree welfare benefits may be paid either as a single lump sum amount at retirement date, or alternatively as a life annuity. When the benefit is lump sum, the payment represents a multiple of the defined base i.e. the final regular salary average over statutory years, multiplied by the assumed percentage for each year of service. For Tanzi (2018) retiree welfare benefits plan raises many financial reporting complications. The main complication relates to the amount to be charged to pension expense in each year while the covered employees are working. Another complication results from the fact that only the benefit formula is specified and not the benefit amount. Given the complicated nature of the Defined Benefits plans, the question to ask is how accurately and efficiently could organizations determine what the periodic pension expense should be over the span of the employees' working careers. In search of an answer to this question, Revsine, Collins and Johnson (2002) state that the following factors should be estimated:

1. What proportion of the workforce will remain with the organization long enough to qualify for benefits (vesting) under the plan?
2. At what rate will salaries rise over the period until eventual retirement?
3. What is the anticipated life span of covered employees after retirements i.e. over what length of time will the pension benefits be paid?
4. What is the rate of return to be earned on the investments made with the cash contributed by the employer to fund the plan?
5. What is the appropriate discount rate that should be used to reflect the present value of the future benefits earned by employees in the current period?

Policy and Pension Scheme

The effectiveness of public policy determines the extent of its implementation. According to Eme and Onwuka (2011), policy is an action plan and a blue print that guide the activities and programs of individual, organization and or government. One of the finest definitions of policy is that offered by Carl Friedrich as cited in Ahmed, Abayomi and Nureni (2016). He considers policy as:

> …a proposed course of action of a person, group or government within a given environment providing obstacles and opportunities which the policy was proposed to utilize and overcome in an effort to reach a goal or realize an objective or a purpose (Friedrich, 1963).

Adeniran (2000) goes on to consider the public policies of the government system to be "the official actions or courses of action that are goal oriented, taken by public officials' presumably in the public interest and in view of some immediate or long-range objectives. Contributory pension scheme is one of the public policies in Nigeria. The goal of pension policy, as it concerns contributory pension scheme is to make workers to have good retiring period and enjoy their retirement time. However, Farayibi (2016) have criticized the contributory pension and said that the government ought to contribute more in the policy and workers need to contribute less, even below 5% of their monthly earning. Diamond (2015) said that all the categories of employees should be favoured the way and manner the security agencies are favoured in the contributory pension scheme; hence the scheme is highly discriminatory against civil servants in the public sector. Not only that, many employees have benefited effectively from contributory pension scheme on their understanding and ability to pay above 7½% minimum as their contribution. For Ahmed, Abayomi and Nureni (2016), there is need to amend the contributory pension policy and make more favourable to the workers so that the government will live up to the expectation.

Historically, the Nigeria's pension policy scheme started in 1951 when the colonial British administration established a scheme through an instrument called Pension Ordinance. It however, had a retroactive effect from 1946 and applied only to United Kingdom officials posted to Nigeria (Sule & Ezugwu, 2009). The 1951 Pension Ordinance was the first legislative act on pension in Nigeria followed by the National Provident Fund (NPF) in 1961 to cater for pension issues in the private sector. In 1979, the Pension Act No. 102 was promulgated and the Armed Forces Pension Act No. 103. Subsequently, the Police and other government agencies pension scheme was established under Pension Act No. 75 of 1987. Similarly, in 1987, the Local Government Staff Pension Board was established to take care of pension matters among local government employees. According to Ayegba, James and Odoh (2013), the shortcomings and associated impediments of the previous scheme heralded the National Social Insurance Trust Fund (NSITF) in 1993 to address pension and retirement issues in the private sector.

Pension schemes in Nigeria over the years have always come from budgetary allocations, non-contributory and not fully funded thereby creating all sorts of problems including series of deaths at retirement as a result of delay or lack of payments after retirement. These issues led to the 2004 pension reform known as the Contributory Pension Scheme (Ayegba, James and Odoh, 2013). Prior to Pension Reform Act of 2004, civil servants bore no direct responsibility, by way of payroll tax, for the provision of pension; instead pension benefits were paid through budgetary allocation kept in the Consolidated Revenue Fund. More so, social security pensions provided on the basis of pay-as-you-go are usually subject to political risks (Abdulazeez, 2015). The risks contemplated take three forms; the first relates to the tendency of politicians eager to capture the votes of the electorates to offer fabulous pension increases that they are either not going to pay or which may fall on regimes other than theirs. The second aspect of the risk refers to the fact that the pension account in not being distanced from political control falls easy prey to politicians who dip hands into pension funds to cushion temporary fiscal shocks.

The third relates to the socio-political indifference to the plight of pensioners by politicians (Odewole & Oladejo, 2017). Furthermore, the way records of pensioners in the public sector are kept and the procedure for payment of pension create avoidable problems. In some establishments no accurate record of actual pensioners exists. This kind of situation engenders corruption which breeds more in the absence of facts and figures. Another weakness found in the public sector system concerns the less than dignifying manner in which retirees are treated. They are compulsorily required to travel long distances to the point of pension payment. Worse still, they are left under inclement conditions for long hours and sometimes for days before they can collect their pay. Some pensioners were claimed to have died while standing in a queue waiting to receive pension money (Ozor, 2006).

Nigeria pension policy sector features an organized ecosystem of participants with distinct roles and all under the regulatory ambit of National Pension Commission (PenCom). They include Pension Custodians (PFC), Pension Fund Administrators (PFA) and Closed Pension Fund Administrators (CPFA). In 2004, Nigeria copied the 1981 Chilean pension reform and established a funded pension system based upon personal retirement saving accounts. The new system was made to be appropriate for a country such as Nigeria, meet the aspirations of improving pension coverage and help economic growth and development (Abdulazeez, 2015). The current financial and economic recession has hit the scheme in so far as it hits stock values underlining the pension assets. However, more important has been the negative real interest rates that are earned on government bonds and on bank deposits where the majority of contributions are invested.

Bank scandals and rising fiscal deficits do not breed confidence in the system or the government's ability to deliver meaningful benefits in old age. Most of the reforms involve restructuring of government institutions, the creation of new systems, procedures, and functions that are expected to promote transparency, efficiency and responsiveness. The issue of pension had become a major attraction to policy makers all over the world ultimately in a bid to actualize a privately funded retirement saving by the workforce because of the inability of the government to cope with the increasing burden of pension. For instance, as at 1999 the pension liabilities of the Nigerian federal government had accumulated into N1.787 trillion huge unpaid pension liabilities resulting to unprecedented embarrassment to governments and much discomfort to the social welfare of retired persons (PenCom, 2005).

Under the 2004 Pensions Reform Act arranged according to the Chile pension reform model, accrued retirement benefits (ARB) (gratuity & pension) up to June 30, 2004 were recognized. Contractual obligation of the payment of these gratuity and pension preserved, backed by regular funding by the Federal Government through 5% of monthly wage bill set aside at the Central Bank of Nigeria. National Pension Commission (PenCom), has identified some of the operational and regulatory challenges facing the pension industry in the country to include coverage of the Contributory Pension Scheme (CPS), dearth of investment products, inadequate technological capacity as well as inadequate knowledge and skills on the part of Pension Fund Administrators (PFAs) to conduct due diligence on developmental projects (Anohu-Amazu 2015).

Corruption and Pension Scheme

One of the major difficulties in conceptualizing corruption is that while it is difficult to disappear it has a capacity to take on new forms. Tanzi (2018) cited The United Nations Global Programme against Corruption (GPAC) and defines corruption as “abuse of power for private gain”. The Transparency International has chosen a clear and focused definition of the term as “the abuse of entrusted power for private gain”. It can also be defined as a pervasion or change from the general accepted rules or laws for selfish gain (Farida, 2010). Agbu (2013:3) observes that public office can be abused for personal benefit even if no bribery occurs, through patronage arid nepotism, the theft of state assets, or the diversion of state resources. Given this development therefore, corruption connotes any behavior that deviates from an established norm with regards to public trust. It also means theft of public trust whether the person concerned is elected, selected, nominated or appointed and it does not matter whether the person affected holds office or not since anybody can be corrupt.

Corruption has been one of the major challenges hindering the effectiveness of the contributory pension scheme. According to Eke and Onafalujo (2015), some workers have complained that on their retirement, the government is not actually contributing its statutory requirement of 7½%. Kalu and Attamah (2015) said many workers who contributed effectively through contributory pension scheme in some cases are not given their required benefits because of incidences of corruption and ineffectiveness in the system. Micah and Obah (2016) analyze the difficulties many families face in their effort to get the retirement benefit of their parents who lost their lives or became inactive. The situation above indicated high level of corruption as it concerns contributory pension scheme.

The need for pension reform was necessitated by the myriad of problems that plagued the defined benefit arrangement in the Public Sector and other forms of pension systems like occupational schemes, mixture of funded and defined benefit schemes that operated in the private sector. One of the challenges of the defined benefit was its dependence on budgetary provisions from various ties of government for funding. Here Obah (2016) states that corruption at these levels hinder effective implementation. The scheme became largely unsustainable due to lack of adequate and timely budgetary provisions. This was the reason for soaring gap between pension fund obligations and revenues, which threatened not only economic stability but also crowded out necessary investments in education, health and infrastructure. It was worsened by various increases in salaries, which ultimately led to increase pensions and hence undue pressure on government fiscal responsibilities (Idowu, 2006).

Pension administration had been largely weak, inefficient and cumbersome due to poor staffing and equipping that led to poor record keeping as a result, pensioners had to spend years before their retirement benefits were paid. The exit phase was quite challenging where payment procedure was often very tedious, sometimes the pensioners had to wait for months and years, to collect their entitlements. Similarly, the reimbursement process for the split of pension and gratuity payments in public service was very clumsy, untidy and sometimes fraught with bribery and corruption (Smart, 2012). The Private sector schemes were characterized by very low compliance ratio due to lack of effective regulation and supervision of the system. However, most of these schemes were akin to provident fund schemes which did not provide for periodic payment of benefits. Even at this, many private sector employees were not covered by any form of pension scheme (Omoni, 2013).

Management of Pension and Retiree Welfare Benefits

Organizations all over the world are managed to achieve definite objectives. For this reason management focuses on effective and efficient utilization of human resources, financial resources, technological resources and other resources of the system to achieve an overall objective in the system (Amah 2011). For Ohadinma (2005), the concept of management focuses on the overall activities of all organizational stakeholders – specifically the employer(s), the management and the employee. It is the efforts of the members of the organization as planned, organized, controlled, motivated and coordinated by the manager(s) and or the head(s) of the organization that guarantee the achievement of the organizational goals. According to Amah (2011), management is a process whereby a suitable environment is created for effort to be organized to accomplish desired goals. In this case, the overall responsibility of management can be seen as the attainment of the given objectives of the organization. In the same vein, Ohadinma (2005) defined management as the process of utilizing the resources of the firm (human and material) to accomplish designated objectives.

Contributory pension scheme cannot effectively work if the entire management team who should be highly engaged in the management of pension are not doing their job well (Nwanne, 2015). In view of Samwick and Skinner (2018), some management team in pension in most cases do not effectively advice, implicate and enlighten employees on the requirements of the contributory pension scheme. This situation has led to poor understanding of many workers, poor planning and inability to adhere to policy standard. Kotun, Adeoye and Alaka (2016) state that it is the duty of the management team to educate, inform and enlighten the employees on the requirements and need for effectiveness in the contributory pension program. There are four key operators (or management) under the contributory pension scheme including the regulator. Each of the operators or management carries out its functions efficiently and effectively in a well-organized and professional manner.

EMPIRICAL REVIEW

Many studies abound in the literature that pro-vided empirical evidence on the contributions of funded pension schemes.

Iyortsuun and Akpusugh (2013) examined the relationship between pension management and its impact on retirees from the public service: a case study of Benue State, Nigeria. The objective of this research is to explore the concept of retirement, ways through which employees can prepare towards retirement and the post-retirement strategies. Both secondary and primary data was used in the study. Survey research method was adopted. Disproportional stratified sampling method was adopted in selecting the sample. Simple percentages and the chi-square statistical test were used for data analysis. The study discovered that pension reform in Nigeria is faced with many challenges which includes coverage, adequacy, administrative efficiency, transparency, corruption, governance and regulation. It recommends for the effectiveness of pension management.

Again, Eremie (2015) investigated challenges and expectations of retirees in Rivers State. The study utilized simple random sampling method to select 150 retirees, of which 90 are male and 60 female. The "Retirees Perception of Retirement Challenges" (RPRC) was used for collection of data for the study. Test re-test method was used to determine the reliability of the instrument. Reliability coefficient of 0.75 was obtained. The t-test statistics was used to test three null hypotheses at 0.05 level of significance. The findings revealed that Null hypothesis two was significant, while hypotheses one and three were reported non-significant. Therefore, hypotheses one and three were accepted, while hypothesis two rejected. Based on the findings, the following recommendations were made: (1) stress inoculation training should be conducted for retirees to manage life challenges of retirees, (2) Government should try to pay pension and gratuities due to retirees on time. (3) The Pension Board should set up Retirees Assistance Counseling and Welfare.

Furthermore, Studies like Odia and Okoye (2012) compared the old pension scheme with the workers retirement benefits using a comparative analysis method to compare and contrast the pre-2004 pension scheme with Pension Reform Act 2004. The researcher employed survey research design and questionnaire served as the instrument of data collection. The study adopted Elite theory to analyze the subject matter. The data collected were presented in tables and analyzed using simple percentage and the hypotheses were tested using t-test. The use of the t-test is informed by the fact that the t-test measures the relationship between X and Y; hence in each of the hypotheses, there is dependent variable (Y) and independent variable (X). The findings revealed that the PRA 2004 is better than the pre-2004 pension scheme, and that the PRA 2004 is expected to help remedy the deficiencies and inadequacies prevalent in the old pension scheme. It recommends for improvement in pension management.

Also, Olanrewaju (2011) who also examined the Pension Reform Act 2004 and well-being of Nigerian retirees based on the Marxist theory. The study critically analyzes the 2004 pension policy of the government on the wellbeing of Nigerian retirees and discovered that the PRA 2004 failed to contribute to basic social security in old age for the majority of Nigerians employed in the informal sector while the minority of covered workers experience problems. The study used a simple random sampling to select 108 respondents for the study and subjecting to Pearson Products moment correlation. The result show that there is relationship between retirement pension account and return on economic and social infrastructural financing; and there is also a significant relationship between superannuation pension account and economic and social infrastructural financing in Nigeria. it recommends for avoidance of corruption in pension administration.

In the same vein, Akpan (2017) studied pension and retirement planning in Nigeria: issues and challenges of law and pension policy objectives. The objective state that the failure to routinely review a number of social and economic factors in the formulation and implementation of a salary structure through established policy instruments usually impacts negatively on employees upon retirement.. This paper therefore holistically examined the issues and challenges of retirement planning in Nigeria against the backdrop of salary structure vis-à-vis the impediments of laws and pension policy objectives. Also, the examination x-rayed the laws that inhibit doing of business by employees and the capacity of employees to save a sizeable and reasonable amount while in service so as to guarantee them financial freedom upon retirement. Survey research design was used for the study, and Questionnaire served as the instrument of data collection (73 of the questionnaires were properly filled and returned). The data collected were analyzed using simple percentage and chi-square. The result revealed that the employees' monthly emoluments and the statutory 18% contributions between the employers and employees towards the retirement savings account for each employee cannot guarantee financial freedom upon retirement to employees. This paper, therefore recommends among other things, that the extant laws that prohibit and inhibit employees in ease of doing business should be amended to create ample and authorized space for them to engage in business at the close of work (from 2pm) instead of the usual 4pm.

In tandem, Eme and Ugwu (2011) studied laws and administration of retirement in Nigeria: a historical approach in pension management. The study noted that Retirement and Pension today, has become a topical issue, one that has engaged the commitment of government, attention of employers and workers not only in Nigeria but also in many developing and emerging economies of Africa, Asia and Latin America. Ex-post facto research design was used, through secondary source. Retirement pensions are typically the largest component of the set of public interventions that make up a social insurance system. In nations that have evolved over the years an effective and functional pension schemes, majority of the retired personnel can live comfortable with their pension allowances without so much discomfort to their family economic stability. In Nigeria, before the new pension scheme, retirees are frustrated through undue delay, and sometime, denial of gratuity and pension allowances. In such circumstances, the fear is not certainly retirement, but the pains one has to pass through after a meritorious service to the nation. It is against this backdrop that this paper seeks to examine retirements and pensions in Nigeria. It equally analyses the contents of the Pension Reform Act (PRA) 2004 together with previous pension legislations.

RESEARCH GAP

Many studies have been executed on pension management, retiree welfare benefits and many other areas. However, some of these studies were not carried out within the Nigerian environment. Some paid attention to other countries of the world without Nigeria examples. Some that covered Nigerian environment and organizations did not cover the Imo State civil service. Most of the studies did not lay emphasis on retiree welfare benefits as used in this study. Furthermore, the variables used in the objective of this study were lacking in the past studies, hence the issue of "the extent corruption affects Pension Scheme and employees' retirement benefits; the extent poor pension management affects employees' retirement benefits; and the impact of contributory pension scheme on the workers" saving and investment in Nigeria" have not been covered by past researches. Therefore, notwithstanding what has been done in the past, research gap exist on (an assessment of the impact of pension administration on retirees welfare in Nigeria using of Imo State Civil Service [2007 – 2015]). This study therefore focused on filling the identified lacuna so as to contribute in knowledge for further studies.

THEORETICAL FRAMEWORK

Structural Functional Theory

In this study, structural functional theory was used. Ukamba (2004) traced the origin of the theory to the work of Gabriel Almond in 1953. He sees the theory as an aspect of the general System theory which was propounded by Ludwing Von Bartalanffy in the 1940's and popularized by David Eastern. The basic objectives of the theory cover two major issues which include structure (system) and function (its major role). It focused on the following and pertinent questions:

a. What function are prerequisite in order to ensure the survival and maintenance of an organization?
b. What structures are needed to ensure the proper and adequate performances of such functions in an organization?

According to Umeh (2010), structural functional theory entails that any where there is a structure, there are expected functions. Put differently, organizations are established to perform different unique functions for the owners and the public benefits. For that, any organization that cannot perform its functions very effectively are not worthy to continue in existence. This means that the existence of the structure must be in line with the expected function. This means that the basic principle of the theory covers two major issues which include structure (system) and function (its major roles). This means that the existence of the structure must be in line with the expected function. For that, the structure in this study is the organization under study (Imo State Civil Service) and function is the main duties of the organization. Therefore, the structure (the organization) can effectively perform its functions well when its human resources (staff) are committed in performing their duties. One of the strategies of achieving the effectiveness of the staff is through proper pension management and realistic implementation of the pension scheme (which if properly done will add positive value to employees during their retirement).

For that, there is need for the organization (structure) to make their workers happy by adhering to the policy establishing pension scheme, effective and proper management of the contributory pension scheme programmes, and avoiding all forms of corruption in the administration/ management of pension scheme. It is only when the workers are happy that their retirement is save and that they will enjoy their retirement without challenge, that they will be motivated to perform their daily functions well for the achievement of the organizational goals. In this direction, the organizational goals cannot be achieved without the effectiveness, commitment and dedication of the employees, and employees can only respond positively to the functions in the organization when they enjoy job satisfaction, aware of their adequate pension benefit, see their colleagues who have retired enjoying their contributory pension benefit and enjoy good condition of service.

RESEARCH METHODOLOGY

- **Research design:** In this study, survey research design was adopted. Survey is a research method that focuses on representative sample based on the entire study population (Asika, 2008). The researcher employed survey research design because of its effectiveness in the use of primary data. Survey enables the researcher to collect primary information directory from the respondents.
- **Population of the study:** The population of this study is made up of the entire 200 retirees in Imo State Ministry of Works.
- **Sample and sampling technique:** The sample size of this study is 200, and the sampling technique applied is census enumeration method. This means that the researcher used the entire population as sample; hence the population is not large. In this direction, census enumeration method was used. Census enumeration method is very relevant in this study because of the need to study the entire population since the population could be reached and studied. Biereenu-Nnabugwu (2010) was of the view that census enumeration method enables a researcher to convert the entire population as sample especially when the population is manageable and could be effectively studied.
- **Research instrument:** In this study, the researcher used both primary and secondary sources of data.
- **Method of data analysis:** The data collected in this study was analyzed using mean statistics and Pearson Product Moment Correlation Coefficient (PPMCC).

DATA PRESENTATION AND ANALYSIS

It should be noted that out of 200 questionnaires distributed to the sampled population, only 194 were properly filled and returned. Fifteen copies of the questionnaire were not returned at all and thirty five copies of the questionnaire were not properly filled. Therefore, the 194 is now our sample size.

Research Question One: How does inadequate policy significantly affects pension management and retirees welfare in Imo State civil service?

Table 1: Inadequate policy significantly affects pension management and retirees welfare in Imo State civil service.

S/N	Policy and pension	SA	A	D	SD	N	EX	X	Dec
1	pension policy need to be improved	100	84	3	7	194	665	3.4	Positive

	to realize its objective								
2	There is need for the government to contribute more in the pension policy	94	82	6	12	194	646	3.3	Positive
3	There is need to reduce what the workers contribute in the pension scheme	89	93	4	8	194	651	3.4	Positive
4	There is need to amend the pension scheme and make workers to determine by themselves on the exact amount to contribute.	92	85	8	9	194	648	3.3	Positive
5	The economic situation in the country demands for review of the pension policy	120	74	-	-	194	702	3.6	Positive

Analysis in table 1 shows that all the items were positive. This is because item 1 has a mean of 3.4, item 2 has a mean of 3.3, item 3 has a mean of 3.4, item 4 has a mean of 3.3 and item 5 has a mean 3.6; hence all the items have mean scores more than 2.5 and above. It is therefore concluded that inadequate policy significantly affects pension management and employees' retirement benefits.

Research Question two: How does corruption in the pension scheme affects retirees welfare in Imo State civil service?

Table 2: Corruption in the pension scheme affects retirees welfare in Imo State civil service.

S/N	Corruption and pension	SA	A	D	SD	N	EX	X	Dec
6	To what extent does your employer remits its own minimum of seven and half percent (7.5%) in the pension scheme?	71	64	30	29	194	565	2.9	Positive
7	To what extent are you aware of a situation where employees are made to contribute more than seven and half percent (7.5%) without their proper knowledge in your organization?	54	67	39	34	194	529	2.7	Positive
8	To what extent are you aware of a situation where the retirees are not paid exactly what is due to them after the conclusion of the pension scheme?	99	76	7	12	194	650	3.4	Positive
9	To what extent are you aware of any situation where the employees below the minimum of seven and half percent (7.5%) in your organization?	23	29	74	68	194	395	2.0	Negative
10	To what extent are you aware that some next-of-kin most time find it	106	70	7	11	194	659	3.4	Positive

	difficult or even impossible to collect the pension benefits of their relatives?								

Analysis in table 2 shows that items 6, 7, 8 and 10 were positive while item 9 was negative. This is because item 6 has a mean of 2.9, item 7 has a mean of 2.7, item 8 has a mean of 3.4 and item 10 has a mean of 3.4; hence not all the items have mean scores more than 2.5 and above. It is therefore concluded that there is a relationship between corruption and pension scheme.

Research Question three: How does poor pension management affects retirees welfare in Imo State civil service?

Table 3: Poor pension management affects retirees welfare in Imo State civil service.

S/N	Pension management and employees' retirement benefits	SA	A	D	SD	N	EX	X	Dec
11	Sometimes, some employees are not well attended to in the pension office	89	69	15	21	194	614	3.2	Positive
12	There exist poor orientation of the employees and retirees on the working of contributory pension scheme.	63	81	31	19	194	576	3.0	Positive
13	Inability of pension managers to adhere to policy guideline negatively affect employee benefit	96	97	-	1	194	676	3.5	Positive
14	Ineffective management of pension lead to poor performance of pension plan	108	81	2	3	194	682	3.5	Positive
15	Poor pension planning in most cases is a result of lack of proper contributing pension system	92	76	11	15	194	633	3.3	Positive

Analysis in table 3 shows that all the items were positive. This is because item 11 has a mean of 3.2, item 12 has a mean of 3.0, item 13 has a mean of 3.5, item 14 has a mean of 3.5 and item 15 has a mean 3.3; hence all the items have mean scores more than 2.5 and above. It is therefore concluded that poor pension management affects employees' retirement benefits.

CONCLUSION

Every employee especially those in public sectors know that one day they will retire and face other things. However, there worry is not retirement but life after retirement; hence the introduction of contributory pension scheme. In this direction, it is necessary for the effectiveness of pension so as to achieve benefit retirement benefits for the workers. This study therefore discovered that inadequate pension policy, poor pension management and corruption hinder the effectiveness of pension scheme and employee retirement benefits. On the basis of the above, this study concludes that employee productivity in public sector and overall organizational growth depends on the extent to which there is effective and efficient pension management which will make workers to feel at home, feel relax and therefore perform their functions well; hence enjoying

RECOMMENDATIONS

The following recommendations were made.

1. There is need for the amendments of the pension policy to make it favourable for the employees; hence making the government to contribute money and the employees to contribute less.
2. There should be high level of transparency, accountability and probity in the pension management so as to identify and stop all forms of corrupt practices.
3. The pension managers should carry reorientation sensitization exercise so as to educate the employees on the nature of pension programmes.

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