

# RETIREMENT BENEFIT PROCESSING OF THE NEW PENSION SCHEME AND ITS IMPLICATIONS ON PUBLIC SERVICE RETIREES' WELFARE IN SOUTH WEST NIGERIA

**Dauda Ayodele MORAKINYO**

Osun State University, Osogbo, Nigeria  
dauda.morakinyo@uniosun.edu.ng

**Roseline Moyosore OJOKUKU**

Ladoke Akintola University of Technology, Ogbomosho, Nigeria  
rmojokuku@lautech.edu.ng

**Johnson Olusola LAOSEBIKAN**

Bowen University, Iwo, Nigeria  
johnson.olaosebikan@bowen.edu.ng

**Nureni Adekunle LAWAL**

Osun State University, Osogbo, Nigeria  
nureni.lawal@uniosun.edu.ng

**Lawal Ayofe BAKARE**

Osun State University, Osogbo, Nigeria  
lawal.bakare@uniosun.edu.ng

## Abstract

The study analysed the retirement benefit processing of the new pension scheme and its implications on the welfare of public service retirees' welfare in selected States of Southwest Nigeria. Descriptive survey design was adopted with primary data as the major source of data. The study population comprised eighteen thousand nine hundred and ten (18,910) pensioners in the South west Nigeria as documented by the Nigeria Bureau of Statistics. Multi staged sampling technique was adopted to select 10% of the study population from each of the three states of Osun, Ondo, and Ogun in Southwest Nigeria totaling one thousand eight hundred and ninety one (1,891) as sample size. The data were collected with the aid of structured questionnaire and interview schedule. Both descriptive and inferential statistics were utilized to analyse the data with the aid of SPSS. Findings revealed that retirement documentation process implementation account has a significant positive effect on the welfare among the pensioners as evidenced by  $R^2 = 0.358$ ,  $F = 170.941$ , and  $p < 0.000$ . It was also found that retirement

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documentation process account for about 32% of changes in welfarism among the pensioners in the Southwest Nigeria. The study thus argued that the processing of retirement benefit contributes significantly to the low welfarism of public service retirees in selected states of Southwest Nigeria.

**Keywords:** Pension, Management, Welfarism, Retirees, Health.

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## 1. INTRODUCTION

Pensions are paid out to employees after they leave the workforce meritoriously, often known as retiring. Pensions are regarded as being the most significant retirement benefits by employees, compared to other retirement benefits. Retirement may signify different things to individual employees based on how they view it, but for the majority of workers, it still has a positive economic connotation (Amusan & Ajibola, 2018).

Every retiree from a Public Sector organization in Nigeria was covered by the Defined Benefit Pension Scheme (DBPS), which is a Non-Contributory Pension Scheme (NCPS), prior to the passage of the Pension Reform Act (PRA) 2004. However, it is a well-known fact that this programme caused seniors to endure unspeakable misery because their pensions and gratuities were either not paid at all or were paid late. As a result, the majority of retirees were so poor and miserable that they were sometimes referred to as "dead woods." These and other factors led to the Federal Government of Nigeria introducing the Contributory Pension Scheme (CPS) in 2004, which revived the hopes of retirees and those who were considering retirement. The CPS was viewed as the solution to the DBPS's issues, and with it, there was optimism that retirees' welfare would be improved because they could plan their lives around the fast and consistent delivery of their lump sum and pensions (McGill, 2014).

According to Bakare, Tijani and Zubair (2019) the system of rewarding the worker who retires after long years of service has been bedeviled with a lot of mirages and inconsistencies in the reward system in Nigeria. The pension system in Nigeria which, until 2004, was largely based on Defined Benefit Pension Scheme also known as Pay-As-You-Go (PAYG) was characterized by problems of inadequacies in addressing the need of the retirees. While the pension policy of 2004 was meant to address the challenges in the previous system, its implementation has equally been relegated by the inadequacies of the financial means to realize its success (Bakare, et al., 2019).

In 2014, there was an Act to repeal the Pension Reform Act No. 2 of 2004, and to establish a uniform contributory pension scheme for Nigeria's public and private sectors, as well as other topics, as voted on by the Federal Republic of Nigeria's national assembly. The purpose of this Act is to establish and unified set of guidelines, requirements, and standards for the administration and distribution of retirement benefits for the Federal Capital Territory, State, Local, and Private Sector Public Services as well as the Federal Government of the Federation. Additionally, it is to create provisions for the CPS's smooth operation,

guarantee that everyone who worked in the public or private sectors receives their retirement benefits when they are due, and help imprudent people by encouraging them to save money to support themselves in old life (Pension Reform Act, 2014). The management and administration of pension funds has been a significant concern for Nigerian governments. A retirement documentation procedure is necessary so that a person may use the funds deposited to their retirement savings account for the following benefits, One option is to withdraw a lump sum from the total sum, provided that the remaining sum is sufficient to purchase an annuity for life or a programmed fund withdrawal, while the other two options are to purchase an annuity for life from a life insurance company or schedule programmed monthly or quarterly withdrawals based on expected life span (Amusan & Ajibola, 2018). Hence, this study seeks to investigate the possible implications of documentation process of the new pension scheme on the welfare of public service retiree in selected States of Southwest Nigeria.

## 2. LITERATURE REVIEW

### Pension policy

When an employee works, money is put into a pension fund, which is then used to provide contributions to support the employee's retirement from work in the form of recurring payments (Onukwu, 2022). Pension funds allow members to pay premiums "now" in return for payments that will be made in the future under specific conditions. Additionally, PFAs do not take deposits, much like an insurance firm. They do assist people in cultivating the discipline of consistent saving by helping them get started early and maintain it. The better off a person will be in later life, the sooner they start saving and the more diligent they are. Having more money in retirement implies you should start saving early. Pension plans not only offer a simple way to guarantee that a worker saves and has enough money in old life, but they also assist the saver in risk diversification. Pension funds spread the risk by combining the resources of several small investors, ensuring that the money will be available to investors in their senior years.

In a similar vein, Menocin and Francesco (2021) highlighted the fact that people may utilize a range of strategies to prepare for retirement, including employer-sponsored plans and individual savings plans, both of which let employees to postpone paying income tax on their earnings until retirement. In Nigeria or abroad, almost everyone who works for a big firm has access to an employer-managed pension plan. Defined-Benefit (DB) and Defined-Contribution (DC) pension plans are the two main categories. No of the kind, a lot of employer-sponsored plans call for a person to work a specific number of years before becoming eligible for benefits. Vesting refers to the qualifying procedure. The word "vesting" describes the employee's entitlement to employer payments or benefits attributable to employer contributions in the

event that their employment ends before retirement. Let's examine how the two different types of pension plans function. DB plans used to be more prevalent than they are now. DB plan participants get a lifetime retirement income depending on their last pay and the number of years they spent working for the firm. For instance, a person who resigned from the same firm after 30 years of service at a salary of N100,000 may earn N60,000 year, or two percent of that pay, for each year of service. That would seem fantastic, but most individuals would need to work for the same company for a very long period in order to enjoy such perks (Amusan & Ajibola, 2018).

#### **Retirement documentation process**

A retirement documentation procedure is necessary so that a person may use the funds deposited to their retirement savings account for the following benefits, One option is to withdraw a lump sum from the total sum, provided that the remaining sum is sufficient to purchase an annuity for life or a programmed fund withdrawal, while the other two options are to purchase an annuity for life from a life insurance company or schedule programmed monthly or quarterly withdrawals based on expected life span (Amusan & Ajibola, 2018). This process could not just be happening automatically, the personality in question shall be formally informed by his/her organisation, in turn a letter of retirement usually written by the personality that is about to retire would be forwarded to the registry of his/her organisation or wherever is applicable to intimate them of his/her retirement date, the organisation then acknowledged the retirement letter and in earnest charged the accounting or bursary department to initiate internal control process onward informing the PFA cum PFC with necessary backup documents such as originals and photocopies of appointment letter, birth certificate, letter of promotion or pay slip specifying grade level and step, letter from the organisation, copy of authenticated chronicles of service, confirmation of registering with PFA among other documents of a retiree in waiting for taken up of retirement benefits (PenCom/DG/09/016/1).

#### **Contributory Pension Scheme Policy Implementation in Nigeria and South West Nigeria**

The National PENCOM has released the status of States in the South West Nigeria in the CPS as at September 2020, The Nation Newspaper 23, Dec. 2020, thus, stated that Lagos, Ogun, Ekiti, Ondo, Oyo, and Osun States, are at various levels of implementation, with Oyo at the lowest level. Although Oyo enacted the law on CPS in 2010, it is yet to establish a Pension Bureau and register public employees under the pension scheme. The pension status of the State has been low since the administration of the late Governor Ajimobi and it remained so even with the Governor Seyi Makinde Administration.

The Government of Oyo State is also yet to begin the funding of accumulated pension rights, although the State Law provides for the registration with selected PFA. Again, the government is yet to provide the Group Life Insurance Policy for its employees, who are yet to start payment of pension contributions, conduct actuarial assessment and open Retirement Benefits Bond Redemption Fund Account (RBBRFA). Finding by The Nation newspaper (23, Dec. 2020) further showed that Oyo owes pensioners N65 billion

gratuities and pensions. On the other hand, in the latest report by PENCOM on states' pension status, Lagos has continued to blaze the trail as the most pension complaint state in the country. The state enacted the law on CPS in 2007 during the Babatunde Fashola Administration. According to PENCOM, the state, however, amended some sections of the Principal Law last year. It has since established the PENCOM Bureau and registered employees with Pension Fund Administrators (PFAs).

Under the Babajide Sanwo-Olu Administration in Lagos State, the state has been remitting 10% employer and 8% employee pension contributions regularly, in compliance with the eighteen per cent stipulated by the PRA 2014. The state, which has conducted the actuarial valuation, is funding accrued pension rights. Recently, it opened RBBRFA with two PFAs for state and local governments and has valid Group Life Insurance Policy. However, according to the report, the only snag is that it has arrears of accrued pension rights.

The Ondo State enacted the law on CPS in 2014, established the Pension Bureau and registered employees with PFAs. Its Governor Rotimi Akeredolu has been remitting 7.5% employer and 7.5% employee pension contributions for workers employed from September 2014, in line with amended law in 2019. The governor has also provided a valid Group Life Insurance Policy for the public servants. He has however, not carried out the actuarial assessment as employees covered under the scheme have no accumulated pension rights.

Similarly, Osun State has done well but still needs to do more to ensure good retirement plans for its employees and retirees. It enacted the law on CPS in 2008 during the administration of Governor Olagunsoye Oyinlola, established two Pension Bureau for state and local governments and registered employee with PFAs. While the state is remitting 7.5% employer and employee pension contributions, the remittances of pension contributions are inconsistent, resulting in arrears. But the state has conducted actuarial valuation, opened RBBRFA with the Central Bank of Nigeria (CBN) and has valid Group Life Insurance Policy. The state, however, has inadequate funding of Accrued Pension Rights, backlog of unremitted pension contributions and huge arrears of Accrued Pension Rights.

The status of Ekiti state seems fair but it's not fully complied with the pension law. The State under the administration of Dr kayode fayemi amended its pension law 2017. Also, the state established Pension Bureau, registered employees with PFAs, is remitting 7.5% employee, 7.5% employee pension contribution and carried out actuarial valuation. Meanwhile, Fayemi is yet to open RBBRFA with a PFA, commence funding of Accrued Pension Rights and has failed to provide Group Life Insurance Policy for civil servants.

Ogun state is not pension complaint and is far from been fair to its employees and retirees. Although the state enacted law on CPS in 2008, it amended it in 2013 under the administration of former governor Ibikunle Amosun to extend its transition period. The State has also established two Pension Bureaus for the State and local governments, registered employees with PFAs and is deducting 7.5% employer and 7.5% for employee

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pension contributions. Although the amount remitted is below 18.5% stipulated in the PRA 2014 and remittances have stopped since 2015, Governor Dapo Abiodun is not doing anything about the situation. Similarly, Abiodun is yet to conduct actuarial valuation, yet to open RBBRFA, commence accrued Pension Right funding and has not provided Group Life Insurance Policy (The Nation Newspaper 23, Dec. 2020).

Reviewing the literature on the subject of compliance is the goal of this report. It's still challenging to explain legal compliance in a way that makes sense in any field of law enforcement. Academics have long endeavoured to provide an explanation for this conundrum in relation to the application of the criminal law, especially socio-legal experts. Regardless of whether legal action is taken, compliance is never and can never be 100% due to the risks and resource requirements connected with detection and verification. Understanding the many factors that work together to increase compliance of those being regulated in the context of regulation becomes even more difficult (Amodu, 2018).

The CPS and the treatment of retired and departing Nigerian employees were investigated by Uzor and Anekwe (2022). How Nigerian employees have fared under the new CPS was explored in the report. The CPS has been in existence for more than 18 years thanks to PRA 2004, yet it still has a low penetration rate because so few public and private organizations have signed on. In order to significantly improve pension administration in Nigeria, former president Dr. Goodluck Jonathan signed the PRA of 2014 into law. Only the federal government and its agencies have completely embraced the new CPS, which is praiseworthy. Several States, including Osun, Ondo, Ogun, Lagos, Anambra, Niger, Delta, and Zamfara, have also prepared for the possibility of transferring employees from the previous plan, which was laden with obstacles and government meddling, to the new one.

In South-South Nigerian Universities, Onukwu (2022) performed research on academics' perceptions of CPS implementation and work commitment. The study topics were addressed using standard deviation and Pearson product moment correlation statistics. The study found that the degree of CPS implementation in South-South Nigerian institutions was viewed as poor by university teachers. The degree of job dedication among lecturers in South-South universities in Nigeria was low. Additionally, there was a favourable correlation between employment dedication and how CPS implementation was perceived.

Keith and Frank (2021) looked at updating legislative requirements for pension funds for the twenty-first century. According to the report's findings, asset managers and pension consultants should provide forward-thinking services that cater to their clients' demands rather than pushing products that serve their own interests. The foundation for a new alignment of interests is regarded as being in that. The creation of a charge structure that is in line with the value provided is another of the top issues raised by funds, with 67% citing it as crucial.

John (2021) investigated a third option for pension plans in the twenty-first century. This article examines the potential repercussions of shifting pension risk from the company to the employee within the framework of the

defined benefit to defined contribution trend. It also queries if there may be a "third approach" for the future of pension provision in the UK or whether the current trend is terminal. In order to do this, the study conducts a poll of the employers who sponsor the schemes and have the most influence on their design. Finally, the study examines some of the choices, including those recently put up in a government consultation document, on the presumption that there may in fact be a third approach for pensions.

The premium base of the Nigerian insurance industry was studied by Odo, Ani, and Agbo (2021) using CPS. Regression analysis of the data revealed that there was no significant correlation between CPS and insurance business premium income, which was positive. Accordingly, the report suggests that in order for the insurance sector to see the anticipated quantum increase, Nigeria's pension regulating authorities should enforce strict adherence to the relevant PRA rule.

The research on the evaluation of the CPS application and employee retirement benefits of listed corporations in Nigeria was carried out by Sule and Ezugwu in 2019. The study sample consists of 10 listed businesses chosen as the sample size based on judgmental sampling out of the 182 firms mentioned on the first-tier market of the Nigerian Stock Exchange. The study's time period was from 1996 to 2005. The data were examined using the paired Student's t-test. The study found that, despite the adoption of CPS having the potential to significantly influence employee retirement benefits of listed companies in Nigeria, insufficient monitoring, supervision, and enforcement of the requirements of PRA 2004 did not provide the desired outcomes.

Liliya (2017) investigated how problems associated with globalization affected the growth of pensions. The research is based on the methodology of the post non-classical paradigm as a clear general scientific global picture using the methods of scientific knowledge: comparison, and generalization, when establishing the crucial differences in approaches to the study of globalization processes. The study used a straightforward descriptive statistical method. The outcome demonstrates that many nations adopted the IMF's recommendations, which follow the tenets of monetary economic theory and aim to address the pension crisis by raising the retirement age, lowering the replacement rate, and increasing the share of wage earners contributing to state pension funds. Through involvement in retirement savings and pension insurance schemes, circumstances were also established for the growth of employees' personal initiative. The state agrees to give essential pensions or aid in times of need, according to the broad principles of contemporary pension system (loss of breadwinner, disability, etc.).

In their 2016 analysis, Patricia and Alexander identified the colossal issues with the 2004 pension act's implementation in the Enugu State government sector. Both primary and secondary sources of information were actively consulted for this investigation. The three main methods for gathering data were face-to-face interviews, focus groups, and questionnaires. Secondary data came from books, official documents, and

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journals. The analysis also showed that the government cannot be relied upon to pay pensions alone due to the rising costs of other areas such as education, agriculture, health care, and administration.

### 3. METHODOLOGY

The quantitative case study of the descriptive research design was employed for this study. The population of pensioners of eighteen thousand nine hundred and ten (18,910) in three selected states of Osun, Ondo, and Ogun in Southwest Nigeria taken ten percent as sample size totaling one thousand eight hundred and ninety one (1,891), with the aid of structured questionnaire and interview schedule while the analysis was carried out inferentially, one thousand eight hundred and fifty (1,850) were retrieved from the respondents.

**TABLE 1. DISTRIBUTION OF POPULATION IN SAMPLING FRAME (PENSIONERS)**

States in Southwest, Nigeria	Pensioner Members		Category of population per State	Numbers of Local Government in South-West, Nigeria
	State	LGA		
	Pensioners	Pensioners		
Osun	2,103	2,502	4,605	30
Ondo	1,809	1,906	3,712	18
Ogun	4,191	6,399	10,590	20
Total			18,910	68

Source: National Bureau of Statistics, 2024.

**TABLE 2. ANALYSIS OF SAMPLE SIZE FOR THE STUDY (PENSIONERS)**

State	Population of Respondents	Sample Size
Osun	4,605	460.5
Ondo	3,715	371.5
Ogun	10,590	1059.0
<b>Total</b>	<b>18,910</b>	<b>1,891</b>

Source: Researchers' Computation, 2024.

### 4. DATA ANALYSIS AND RESULTS

Both descriptive and inferential statistics were to analyse the data. Specifically, linear regression analysis was used to explain the strength and direction of a linear relationship between two variables. In the first instance, various assertions relating to the processing of retirement benefits were raised and evaluated using 5-scale measurement. The responses of the respondents are captured descriptively in Table 3 below.

Table 3 shows that about 636 (34.4%) strongly agreed and agreed that the potential retirees were enrolled into the pension payroll not later than a month after the lapse of their retirement notice, 16 (0.9%) were undecided while 1207 (64.8%) disagreed and strongly disagree that the potential retirees were enrolled

into the pension payroll not later than a month after the lapse of their retirement notice. Table 3 shows that 49.1% strongly agreed and agreed that pensioners are always paid their monthly pensions on or before 30th of every month since the introduction of CPS, 1.4% were undecided while 49.5% disagreed and strongly disagreed that pensioners are always paid their monthly pensions on or before 30th of every month since the introduction of CPS. Table 4.4 shows that the implementation of CPS has improved timely payment of retirement benefits were strongly agreed and agreed by 38.3% of the respondents, 1.3% were undecided about the notion while 60.5% disagreed and strongly disagreed about the notion that the implementation of CPS has improved timely payment of retirement benefits. Table 4.4 shows that 636 (34.4%) strongly agreed and agreed that their potential retirees were allowed to have access to the control over their retirement saving account, 129 (7.0%) were undecided about the notion, while 1085 (58.7%) disagreed and strongly disagreed about the potential retirees being allowed to have access to the control over their retirement saving account. Table 3 also shows that 58.7% of the respondents strongly agreed and agreed that accessibility of pensioners over the control of the retirement saving account is necessary, 4.8% were undecided about the accessibility of pensioners over the control of the retirement saving account is necessary, while 36.6% disagreed and strongly disagreed with the statement. Table 4.4 shows that allowing pensioners to have access to the retirement saving account allowed to choose pension fund administrator of their choice were strongly agreed and agreed by 969 (61.4%) of the respondents, 60 (3.2%) were neutral while 821 (44.4%) disagreed and strongly disagreed with the statement.

TABLE 3. RETIREMENT DOCUMENTATION PROCESS SCALE

Variable	SA (%)	A (%)	U (%)	D (%)	SD (%)
Potential retirees were enrolled into the pension payroll not later than a month after the lapse of their retirement notice	6 (0.3)	630 (34.1)	16 (0.9)	314 (17.0)	884 (47.8)
Pensioners are always paid their monthly pensions on or before 30 <sup>th</sup> of every month since the introduction of CPS	696 (37.6)	213 (11.5)	26 (1.4)	321 (17.4)	594 (32.1)
Implementation of Contributory Pension Scheme has improved timely payment of retirement benefits	612 (33.1)	96 (5.2)	24 (1.3)	353 (19.1)	765 (41.4)
Potential retirees were allowed to have access to the control over their retirement saving account	622 (33.6)	14 (0.8)	129 (7.0)	505 (27.3)	580 (31.4)
Accessibility of pensioners over the control of the retirement saving account is necessary	220 (11.9)	865 (46.8)	88 (4.8)	471 (25.5)	206 (11.1)
Allowing pensioners to have access to the RSA allowed to choose PFA of their choice.	25 (1.4)	944 (60.0)	60 (3.2)	551 (29.8)	270 (14.6)

**Key:** SA = strongly agree; A = Agree; U=Undecided; D=Disagreed; SD = Strongly Disagree

Source: Researcher's field survey, 2024.

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**Regression and Hypothesis: Retirement documentation process has no significant effect on the welfare of public service retirees in selected states of Southwest Nigeria.**

The objective of the study which is the investigation of retirement documentation process and Welfare of public service retirees was achieved with the aid of linear regression models.

Table 4 shows the model summary of the regression analysis of interaction between Retirement documentation process variables (Pensioner have access to retirement savings account (PRSA), Potentials retirees enrolment into pension payroll for a month (PREPP), Pensioner received pension before 30th due to Contributory Pension Scheme (PRPCPS), Accessibility of pensioner on the retirement saving account is necessary (APRSA), Timely Payment had improved due to implementation of Contributory Scheme (TPICS), Potential retirees have access to the control over retirement saving account (PRCRSA) with (R) value of .598. This indicates positive interaction between placement payroll and welfares of public service retirees of the pensioners in the selected States of Southwest Nigeria. The magnitude of the interaction is also statistically significance at 5% level of significance. The R Square value of 0.358 means that, 36% of the variation in welfarism by among the pensioners in the southwest Nigeria is explained by variation in their retirement documentation process. While the remaining 64% variations was caused by other factors which were not included in this model. Durbin Watson statistics result fell close to two that is, (1.584). The implication is that the stochastic error terms are not serially correlated. Thus, the regression results are not spurious.

**TABLE 4. A SUMMARY OF THE LINEAR REGRESSION ANALYSIS OF THE RELATIONSHIP BETWEEN RETIREMENT DOCUMENTATION PROCESS AND WELFARE OF PUBLIC SERVICE RETIREES**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.598 <sup>a</sup>	.358	.355	.524	1.584
a. Predictors: (Constant), (PRSA), (PREPP), (PRPCPS), (APRSA), (TPICS), (PRCRSA)					
b. Dependent Variable: (WPSR)					

Source: Researchers' Computation, 2024.

**TABLE 5. LINEAR REGRESSION ANALYSIS SHOWING SIGNIFICANCE OF PREDICTORS ON WELFARE OF PUBLIC SERVICE RETIREES**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	281.203	6	46.867	170.941	.000 <sup>b</sup>
	Residual	505.297	1843	.274		
	Total	786.500	1849			
a. Dependent Variable: Welfare of Public Service Retirees (WPSR)						
b. Predictors: (Constant), (PRSA), (PREPP), (PRPCPS), (APRSA), (TPICS), (PRCRSA)						

Source: Researchers' Computation, 2024.

The Table 5 revealed the F test for the overall significance of the data. The results show that the calculated F and the associated significant probabilities are 888.927 and ( $p < 0.001$ ). The test was significant at the one percent level, thus indicating that the overall significance of the model is good.

Table 6 shows the regression coefficients of the contribution of independent variable to criterion variable. The results show that the constant and the coefficients of PREPP, PRPCPS, TPICS, PRCRSA, APRSA and PRSA are 0.198, -0.305, 0.044, 0.079, 0.338, 0.143 and 0.282 respectively.

Thus,  $WPSR_v = 0.198 - 0.305 PREPP_v + 0.044 PRPCPS_v + 0.079 TPICS_v + 0.338 PRCRSA_v + 0.143 APRSA_v + 0.282 PRSA_v + \mu$  . . .

Equation 1 indicates that a unit change in Potentials retiree's enrolment into pension payroll will lead to a -30.5% change in the welfare of public service retirees. Specifically, a unit increase in Potentials retiree's enrolment into pension payroll will lead to a 30.5% decrease in the welfare of public service retirees and a unit decrease in Potentials retiree's enrolment into pension payroll will lead to a 30.5% increase in the welfare of public service retirees. Also, a unit change in Timely Payment had improved due to implementation of Contributory Scheme (TPICS) will lead to a 7.9% change in the welfare of public service retirees. Also, a unit change in Timely Payment had improved due to implementation of Contributory Scheme (TPICS) will cause a 33.8% change in the welfare of public service retirees.

A unit change in the Accessibility of pensioner on the retirement saving account is necessary (APRSA) will lead to a 14.3% change in the welfare of public service retirees; and a lastly, a unit change in Pensioner have access to retirement savings account (PRSA) will lead to a 28.2% change in the welfare of public service retirees.

The calculated t statistics and the associated significant probabilities are -9.632 ( $p < 0.001$ ), 2.841 (0.005), 3.382 (0.001), 9.936 ( $p < 0.001$ ), 6.070 ( $p < 0.001$ ) and 14.674 (0.001) for Potentials retiree's enrolment into pension payroll for a month (PREPP), facilitation of pension payment due to Contributory Pension Scheme (PRPCPS), Improved payment due to Contributory Scheme (TPICS). Others are e access to the control over retirement saving account (PRCRSA), Accessibility of pensioner on the retirement saving account (APRSA) and access to retirement savings account (PRSA) respectively.

The implication is that Potentials retiree's enrolment into pension payroll for a month (PREPP) has a negative and significant influence on the welfare of public retirees. Thus, increased Potentials retiree's enrolment into pension payroll for a month (PREPP) leads to decreases in the welfare of public service retirees while decreases in Potentials retiree's enrolment into pension payroll for a month (PREPP) leads to increases in the welfare of public service retirees. The other explanatory variables, Early payment of pensions due to Contributory Pension Scheme (PRPCPS), improved payment due to implementation of Contributory Scheme (TPICS), access to the control over retirement saving account (PRCRSA), Access to

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the retirement saving account is necessary (APRSA) and access to retirement savings account (PRSA) all have positive and significant influences on the welfare of employee public retirees.

**TABLE 6. CONTRIBUTION OF EACH PREDICTOR VARIABLE ON WELFARE OF PUBLIC SERVICE RETIREES**

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.198	.104		1.908	.057	-.006	.401
	Potentials retirees enrolment into pension payroll for a month (PREPP)	-.305	.032	-.632	-9.632	.000	-.367	-.243
	Pensioner received pension before 30th due to Contributory Pension Scheme (PRPCPS)	.044	.016	.119	2.841	.005	.014	.075
	Timely Payment had improved due to implementation of Contributory Scheme (TPICS)	.079	.023	.215	3.382	.001	.033	.125
	Potential retirees have access to the control over retirement saving account (PRCRSA)	.338	.034	.871	9.936	.000	.271	.404
	Accessibility of pensioner on the retirement saving account is necessary (APRSA)	.143	.023	.276	6.070	.000	.096	.189
	Pensioner have access to retirement savings account (PRSA)	.282	.019	.523	14.674	.000	.244	.320

a. Dependent Variable: Welfare of Public Service Retirees (WPSR)

Source: Researchers' Computation, 2024.

## 5. DISCUSSION OF FINDINGS

The objective of the study was to examine the effect of retirement documentation process and the welfare of public service retirees in selected states in Southwest Nigeria. Findings revealed that the interaction is statistically significant at 5% level. The R Square value of 0.358 means that, retirement documentation process account for about 36% of welfarism among the pensioners in the southwest Nigeria while the

remaining 64% variations are caused by other factors or variables which are not included in this model but captured under stochastic error term. Similarly, Table 6 shows the regression coefficients of the contribution of independent variable to criterion variable. The results show that standardized beta coefficient 0.871, which means that the Potential retirees have access to the control over retirement saving account (PRCRSA) makes strong unique contribution in explaining welfare of public service retirees (WPSR). Conversely, potentials retiree's enrolment into pension payroll for a month (PREPP) result show that standardized beta coefficient -0.632. Also, pensioner have access to retirement savings account (PRSA) indicates standardized beta coefficient 0.523 contribution to welfare of public service retirees (WPSR) among the pensioners in south west Nigeria. However, the result of standardized revealed 0.276, accessibility of pensioner on the retirement saving account is necessary (APRSA). In addition, the contribution of Timely Payment had improved due to implementation of contributory scheme (TPICS) revealed that standardized beta coefficient 0.215. Lastly, contribution of Pensioner received pension before 30th due to Contributory Pension Scheme (PRPCPS) show that standardized beta coefficient 0.119.

From the results obtained from Table 6, the p-value calculated for 0.000 is lesser than 5%, 0.05 critical value. The study found that, retirement documentation process has significant effect on the welfare of public service retirees in selected states of Southwest Nigeria.

In support of the findings above, Awe and Tugbobo (2013) argued that there is a significant relationship between operation of the new contributory pension scheme and welfare of pensioners in term of their life improvement after service. The new contributory pension scheme is noted to have a promising future for the retirees. The scheme according to Faruq (2012) has partially addressed the issue of timely payment of benefits to retirees upon disengagement from public service. Chizueze, et al, (2011) found that contributory pension scheme significantly influences worker's commitment to works due to its promising significant positive effect on retiree's post service good life. In the same vein, Abdullahi (2011) emphasised that employer-sponsored retirement plans and individual savings plans are two ways that people can save for retirement. Both of these options let employees postpone paying income tax on their retirement savings until they are no longer employed. In Nigeria or anywhere else, almost all employees of big corporations have an employer-managed pension plan.

## 6. CONCLUSION AND RECOMMENDATIONS

Based on the findings, the study concluded that significant relationship exists between implementation of retirement documentation process of the welfare of public service retirees in selected States in Southwest Nigeria. The implication is that Potentials retiree's enrolment into pension payroll within a month has a

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negative and significant influence on the welfare of public retirees. The other explanatory variables like, early payment of pensions due to Contributory Pension Scheme, improved payment due to implementation of Contributory Scheme, access to the control over retirement saving account, access to the retirement saving account is necessary and access to retirement savings account are all have positive and significant influences on the welfare of public service retirees.

To eliminate retirement documentation process; concerns such as the retiree and PFAs must be willing to do the needful. On the part of retirees, due diligence must be ensured in obtaining necessary forms and completed in a timely manner as appropriate information is supplied without compromise while on the part of PFAs, utmost sense of sincerity must be ensured to adhere to the rules of paying the right pension due to the retirees that has completed necessary documentation.

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