



Recent Changes to Pension Fund Administration: What You Need to Know

Recently, the National Pension Commission (“the Commission”) introduced new guidelines under the Contributory Pension Scheme, aiming to simplify processes and improve the benefits accessible through Retirement Savings Accounts (RSAs). These changes are designed to enhance the administration of retirement and terminal benefits by Pension Fund Administrators (PFAs).

Highlights from the New Pension Circular

1. Arbitration and Conciliation for RSA Holders:

To address cases involving multiple Letters of

Administration (LOA) or court orders for a deceased RSA holder’s account, PFAs are now required to direct beneficiaries towards reconciliation or court mediation if consensus fails.

2. Eligibility for Pension Arrears:

Retirees from Treasury-funded Ministries, Departments, and Agencies (MDAs) of the Federal and State Governments can receive up to 24 months of pension arrears if the time between their retirement date and the consolidation of their accounts (the point at which pension benefits are finalised) exceeds 24 months.



3. Restrictions on RSA Access in Second or Multiple Employment:

The new guidelines restrict RSA withdrawals for individuals who have previously accessed their accounts due to job loss and then re-enter employment. If such individuals disengage from subsequent jobs, further access to their RSAs will be denied.

4. Immediate Implementation:

These changes are effective immediately and it is essential for stakeholders to be fully aware of the changes.

How These Changes Affect You

- **For Beneficiaries:**

The new changes will reduce conflicts and ensure equitable rights for all parties involved, although this may lead to potential delays or complexities in accessing death benefits due to the new reconciliation processes required.

- **For Retirees:**

Eligible individuals may now receive extended pension arrears, offering significant financial relief.

- **For Employees:**

While the new restrictions on RSA access may require adjustments in financial planning, particularly for those with fluctuating employment, they ensure that RSA funds remain preserved for retirement purposes.

Staying Informed and Prepared



Understanding and adapting to these pension guidelines is crucial for effective retirement planning. For personalised advice or assistance with managing the implications of these updates, please reach out to us at info@scp-law.com or visit our website at www.scp-law.com.