



JOINT CIRCULAR ON STRENGTHENING THE ADMINISTRATION OF ANNUITY FOR PENSIONERS

This is to notify members of the public and in particular stakeholders in the Insurance and Pension industries, that the Managements of the National Insurance Commission (NAICOM) and the National Pension Commission (PenCom) have met to discuss issues pertaining to strengthening the administration of retiree life annuity as a mode of retirement benefit under the Pension Reform Act 2014 (PRA 2014) as follows:

1. Specifically, both NAICOM and PenCom re-affirmed the existence of Programmed Withdrawal and Life Annuity as modes of payment of retirement benefits under the PRA 2014.
2. Both NAICOM and PenCom are currently reviewing the Regulation on Retiree Life Annuity which will be jointly released to the public in compliance with the PRA 2014 within 3 months of this notice. In the meantime, the following shall apply:
 - i. All Life Insurance companies currently providing life annuity for retirees under the Contributory Pension Scheme (CPS) shall proceed to open Operational Accounts with Pension Fund Custodians (PFCs) of their choice.
 - ii. All new annuity purchased or being processed shall therefore be domiciled in the dedicated account with the PFC referred to in (i) above.
 - iii. The treatment of all existing retiree life annuity funds and assets would be dealt with upon issuance of the Joint Regulations referred to above.
 - iv. NAICOM shall ensure that Life Insurance companies comply with the above requirements
 - v. The processing and approvals of new retiree life annuity requests shall continue forthwith
 - vi. All Pension Fund Administrators (PFAs) shall resume the processing of new annuity requests for retirees and forward same to PenCom for necessary approval without delay.
 - vii. PenCom shall ensure that PFAs transfer all approved premium for Retiree Life Annuity to the Operational Accounts opened by the Life Insurance Companies with PFCs.



3. Both NAICOM and PenCom also confirm that the pensions of existing retirees on annuity are not in any way jeopardized as the Life Insurance companies are obliged to continue the payment of their monthly/quarterly annuity.
4. This Joint Circular supersedes Circular No. ref. PENCOM/INSP/CIR/TECH/16/17 of 3 November, 2016 and Circular No. NAICOM/INSP/ANN/11/2016/ of 11 November, 2016.

Issued this 20th March 2017

A handwritten signature in black ink, appearing to read 'Agboola Pius', is written over a horizontal dashed line.

Agboola Pius
Director, Authorization & Policy
NAICOM

A handwritten signature in black ink, appearing to read 'M. B. Umar', is written over a horizontal dashed line.

M. B. Umar
Head, Surveillance Department
PenCom