

NATIONAL PENSION COMMISSION

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CIRCULAR

REF: PENCOM/INSP/CIR/TECH/16/17

DATE: 3 November, 2016

TO: All Pension Fund Operators/Custodians

SUBJECT: STRENGTHENING THE ADMINISTRATION OF RETIREMENT BENEFITS UNDER THE PENSION REFORM ACT (PRA) 2014

In order to ensure consistency with the Pension Reform Act (PRA) 2014 and to strengthen the processing of administration of retirement benefits, the Commission has resolved that the custody of retiree life annuity shall, henceforth, be domiciled with Pension Fund Custodian (PFC) as provided for in Section 56 of PRA 2014. Arising from the foregoing, we wish to inform you of the following decisions taken by the Commission.

1. That all Life Insurance Companies currently providing life annuity for retirees under the Contributory Pension Scheme (CPS) are to Open Operational Account jointly with a Pension Fund Custodian (PFC) of their choice and advise the National Pension Commission on same;
2. That all Life Insurance Companies currently providing retiree life annuity for retirees under CPS are to transfer the corresponding assets in their possession/custody to the PFC of their choice within three months.

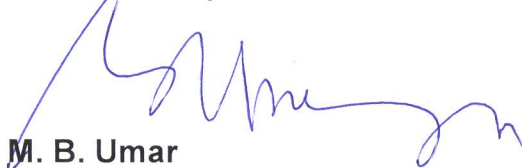
3. That the approval of new requests for annuity is hereby put on hold with immediate effect, until Life Insurance Companies meet the custody and transfer conditions in (1) and (2) above.

4. The Life Insurance Companies are required to open an account with the custodian of their choice and also execute custodial service agreement that shall state the terms and conditions of the contract between the parties.

The documentation and procedure for the transfer of existing retirees' life annuity assets by Life Insurance Companies is attached as Appendix I.

All Pension Fund Operators are required to be guided accordingly.

Yours faithfully,



M. B. Umar
Head, Surveillance Department

