

TABLE OF PENALTIES FOR NON-COMPLIANCE WITH PENSION REFORM ACT 2004

| COMPLIANCE ISSUES WITH REGARD TO: | MINIMUM COMPLIANCE STANDARD | PENALTY FOR NON-COMPLIANCE | | | | | | | |
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| EMPLOYER : | | Letter of Advice | Letter of Caution | Letter of Warning | Monetary Penalty | Naming and Shaming | Suspension & Removal of officer and | Litigation and others | Revocation of License |
| 1) Remittance of Contribution Sect. 11(5B), Sect. 11(7) | Not later than 7 working days from the day salary is paid | 2 weeks after default, payment of not less than 2% of unpaid contribution to RSA holder(s) | Continuous default for one month after issuance of Letter of Advise | After one month of failure to adhere to the Letter of Caution | 1% of the outstanding payable to the Commission if the default persists after 3 month. | Continuous violation after monetary penalty | - | Legal action if violation persists | - |
| 2) Refusal to give information. Sect. 90 | a) Free accesses to information at all reasonable times | After one week of refusal or immediately upon submission of false information. | Continuous default for one month after issuance of Letter of Advice. | After one month of failure to adhere to the Letter of caution | A fine not more than N200, 000 for every false or misleading information N100, 000 each day | If violation persist after Monetary penalty | | Legal action if violation persists | |
| | b) Information or explanation would be true and reliable at all times | | | | | | | | |
| 3) Ensuring that each Employee open RSA. Sect. 11(1) | Every employee shall maintain RSA in his name with any Pension Fund Administrator of his/her choice | Failing to advise employees to open RSA or discourage or coerce. | Discouraging employees from RSA opening. | Coercing employees to open RSA with a PFA that is not of their choice. | N1,000 after 3 months per employee for every month of violation | Continuous violation after monetary penalty | | | |
| 4) Transfer of legacy pension assets to licenced operators. Sect. 44,46 | All pension funds and assets shall be transferred to licenced operators | Upon discovery of non-transfer by the Commission | Two months after being issued a letter of advice | One month after being cautioned | One month after letter of warning to pay fine not more than N250,000 for every month of default | Two months after monetary penalty if violation persists | | Legal action if violation persists | |
| 5) Funding of CPFA. Sect. 39 (1) (g) | To be fully funded by the employer at all times and any shortfall to be made up within 90 days | After the expiration of 90 days | One month after Letter of advice | One month after Letter of caution | Fine not more than N250,000 and N500,000 every month thereafter | Two month after monetary penalty | | | Revocation of licence |
| 6) Funding of existing pension scheme. Sect. 39 (1) (g) | To be fully funded by the employer at all times and any shortfall to be made up within 90 days. | After the expiration of 90 days | One month after Letter of advise | One month after Letter of caution | Fine not more than N250,000 and N500,000 every month | Two month after monetary penalty | | Withdrawal of approval | |
| OPERATORS | PFA/ PFC | PENALTY FOR NON-COMPLIANCE | | | | | | | |
| 6 Management of Pension Fund. Sect.45 (b) PFA | Sole business of PFA | | | Immediately upon discovery by the Commission. | N250,000 penalties, forfeiture of any | If violation continue after monetary penalty | | | Revocation of licence |

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| | | | | | gain/benefit from violation. | | | | |
| 2) Submission of audited financial statement. Sect. 56 (3) (a) PFA/PFC | Submission of Audited financial accounts to the Commission not later than 120 days from the end of its Financial year. | 3 weeks after due date | 4 weeks after the advise letter | 6 weeks after caution letter | Penalty of not less than N1million after 3 month of warning letter. N100,000 for every moth thereafter | If violation continuous after monetary penalty | | | |
| 3) Publication in 2 daily Newspapers. Sect. 56 (3) (b) PFA/PFC | Publication of audited account approved by the Commission in at least 2 daily newspapers printed and circulated in Nigeria within one month of the approval by the Commission; | 3 weeks after approval from the Commission | 4 weeks after the advise letter | 6 weeks after caution letter | Penalty of not more than N250,000 after a month of warning letter. N200,000 for every month thereafter | If violation continues one month after monetary penalty | | | |
| 4) Exhibition of approved audited accounts. Sec t. 56 (3) (c) PFA/PFC | Exhibit approved audited accounts in a conspicuous position in each of its offices and branches within 30 days of the approval throughout the Financial year | 3 weeks after approval by the Commission | 4 weeks after the advise letter | 6 weeks after caution letter | Penalty of not less than N200,000 after month of letter of warning. N10,000 after every month thereafter | If violation continuous one month after monetary penalty. | | | |
| 5) Submission of list of staff dismissed/terminated on grounds of fraud. Sect. 63 PFA/PFC | Every PFA/PFC shall render reports on dismissed/ terminated staff at intervals to be determined by the Commission | After expiration of the period to submit the statutory | Two weeks after the advise letter | A month after the caution letter | Pay amount not less than N1,000,000 to the Commission | After 2 consecutive failure to submit the reports at | | Legal action if violation continues | |
| 6) Employment of dismissed, terminate person. | Employ person whose name is not on the list maintained by the commission on fraud and related offences. | Upon discovery that a dismissed person is employed by a PFA or PFC | | If the operator refuses to terminate the appointment of such person(s) | Pay amount not less than N1,000,000 to the Commission | If the offence persists | | Legal action | Revocation of licence |
| 7) Appointments to Board and Top Management. Sect. 67 PFA/PFC | All Chief Executive officers or Directors as well as Top management of PFA shall only be appointed prior to written approval of the Commission | | Immediately upon discovery of appointment without prior approval of the Commission. | One month after caution if approval is not obtained and appointment not revised | One month after warning N5 million for Director and N2 million for Top Management | If violation continue after monetary penalty | | Legal action if violation continues | |
| 8) Misappropriation of Pension Assets Sect 86 PFA/PFC | | | | | | | | Legal action if violation persists | |

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| 9) Advertisements. Sect. 70 (2) PFA/PFC | All brochures, advertisements, communication, promotional materials are truthful in every material without omission of any fact which will make the information misleading or deceptive | | Upon discovery of the deceptive or misleading advert. | | N200,000 if the advert material is used after the caution and N10,000 for everyday thereafter | If violation continue after monetary penalty | | | |
| 10) Investment Sect. 72 & 73 PFA | All contributions shall be invested by the PFA with the objectives of safety and maintenance of fair returns on amount invested and subject to the Commissions' guidelines | Immediately upon discovery of the violation | Two weeks after advise if portfolio is not rebalanced or violation persist | If violation persists for one month | N500,000 for each day violation continues and forfeit the profit from the investment to RSA holders and if investment has led to loss, the PFA shall be made to make up the loss(Sect.78) | If violation continue after monetary penalty | | | |
| 11)Restricted investment Sect. 75 PFA | A PFA shall not invest pension fund assets in the shares or any other securities issued by a) PFA or PFC b) A shareholder of the PFA or PFC | Immediately upon discovery of the violation | Two weeks after advise if portfolio is not rebalanced or violation persist | If violation persists for one month | N500,000 for each day violation continues and forfeit the profit from the investment to RSA holders and if investment has led to loss, the PFA shall be made | If violation continue after monetary penalty | | | |
| 12) Restriction on sale of pension fund assets 76 & 77 PFA | The PFA shall not sale or purchase pension fund assets to itself, any shareholder, director, its employee or affiliates of any shareholder nor will the PFA apply pension fund assets under its management by way of loans and credit or as collateral for any loan taken by any person | Immediately upon discovery of the violation | Two weeks after advise if the sale/purchase is not reverted or if violation persists | If violation persists for one month | N500,000 for each day violation continues and forfeit the profit from the investment to RSA holders and if investment has led to loss, the PFA shall be made to make up the loss | If violation continue after monetary penalty | Suspension and/or removal of officer or director involved | Legal action if violation persist | |

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| 13) Customer service. Sect. 45 (e) PFA | Provide customer service support to employees including access to employees account balances and statements on demand | If complain are received from customers and found to be true | Caution letter if violation continues one month after letter of advise | If violation continues one month after caution | N100,000 penalty and N10,000 for every month of violation after warning letter | If violation continue after monetary penalty | | | |
| 14) Payment of retirement benefits. Sect. 47(a) | Cause to be paid retirement benefits to employees in accordance with the provision of the Act | If complain are received from customers and found to be true | Caution letter if violation continues one month after letter of advise | If violation continues one month after caution | N500,000 penalty and N10,000 for every month of violation after warning letter | If violation continue after monetary penalty | | | |
| Sect. 45(f) PFA | | | | | | | | | |
| 15)Receiving contribution | Receive total contributions remitted by the employer on behalf of the PFA with accompanying schedules | Immediately upon discovery of receipt of contributions without schedule | Caution letter if failure to send schedule of contributions | After one month of violation and letter of caution | A fine not less than N500,000 after issuance of warning letter if violation continue | If violation continue after monetary penalty | | | |
| 16) Notification to PFA. Sect 47 (b) PFC | Notify the PFA within 24 hours of receipt of contributions from any employer | After a week of failure to notify the PFA | After a month of failure to notify the PFA | Two weeks after the issuance of caution letter | Not less than N500,000 for every week of failure to notify the PFA after the letter of warning | If violation continue after monetary penalty | | | |
| 17) Statistical analysis. Sect. 47 (f) PFC | Undertake statistical analysis on the investments and returns on investment with respect to pension funds in its custody and provide data to PFA and the Commission | Advise the PFC to undertake any analysis and send to the Commission or the PFAs | Caution the PFC if they fail to undertake and submit to the Commission and PFAs within the period and in the format specified by the Commission | If failure persist for two weeks after letter of caution | A penalty of not less than N1 million after one month letter of warning | If violation continue after monetary penalty | | | |
| 18) Obtaining of license by the PFAs and PFCs. Sect. 44 and 46 | License should be obtained by the operators from the Commission | | | | (a)In the case of an individual, to a fine not less than N5,000,000 (b)In the case of a corporate body, to a fine not less than N10,000,000 and in addition, the directors or officers shall be liable for a fine not less than N2,000,000 each | If violation continuous after violation | | Legal action if violation persists | |

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| 19) Refusal to give information. Sect. 90 | Free accesses to information at all reasonable times | After one week of refusal or immediately upon submission of false information | Continuous default for one month after issuance of Letter of Advise | After one month of failure to adhere to the Letter of caution | A fine not more than N200, 000 for every false or misleading information N100, 000 each day where the offence continues | If violation persists after Monetary penalty | | Imprisonment of a term not less than 3years | |
| 20) Auditor of PFA or PFC Sect. 58 (3) | External Auditors of PFA or PFC shall have responsibility to the Commission for the protection of pension funds | 1 month upon discovery that the pension fund is not well protected. | 2 weeks after the letter of advice | 2 weeks after the letter of caution | Fine not less than 10,000,000 for the firm. | If violation continue after monetary penalty | | Imprisonment of a term not less than 3years for the responsible partner or principal officer. | |
| 21) Monthly report on fraud, forgery and theft. Sect. 61 | PFA or PFC renders to the Commission monthly reports on fraud, forgery, or theft. That could include Nil returns | Not later than 7 working days from the date the return is due | 2 weeks after default | Continues default for one month after issuance of letter of advise | An amount not less than N500,000 | 3 consecutive default in a year | | | |
| 22) PFA or PFC employing previously dismissed staff. Sect. 63 | The Commission should be notified when employing staff previously dismissed, terminated or advised to retire on the ground of fraud by any operator | Immediately the violation is discovered | One month after letter of advice | One month after letter of caution | An amount not less than N1,000,000 | | | | |
| 23) Supervision and Examination. Sect. 82 | The Board of directors of the PFA or PFC shall within 30 days of receiving the report of the Commission convene an extraordinary meeting to consider the report and submit its reaction to the report and proposal for implementing any recommendations to the Commission | 2 weeks after expiration of the date to submit the report | 3 weeks after letter of advice | One month after letter of caution | N500,000 for each day during which the offence continues for more than 30 days, the Commission may, in addition to the fine suspend the license or certificate of registration of the PFA or PFC | | | | |

REGIME OF SANCTIONS AND PENALTIES FOR NON-COMPLIANCE WITH PENSION REFORM ACT 2004

| S/N | EMPLOYER | | PENALTY FOR NON-COMPLIANCE | | | | | | | |
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| | COMPLIANCE ISSUES WITH REGARD TO: | MINIMUM CONLIANCE STANDARD | Letter of Advice | Letter of Caution | Letter of Warning | Monetary Penalty | Naming and Shaming | Suspension & Removal of officer and director | Litigation and others | Revocation of License |
| 1 | Remittance of Contribution Sect. 11(5B), Sect. 11(7) | Not later than 7 working days from the day salary is paid | 2 weeks after default, payment of not less than 2% of unpaid contribution to RSA holder(s) | Continuous default for one month after issuance of Letter of Advise | After one month of failure to adhere to the Letter of Caution | 1% of the outstanding payable to the Commission if the default persists after 3 month. | Continuous violation after monetary penalty | — | Legal action if violation persists | — |
| 2 | Refusal to give information. Sect. 90 | a) Free accesses to information at all reasonable times b) Information or explanation would be true and reliable at all times | After one week of refusal or immediately upon submission of false information. | Continuous default for one month after issuance of Letter of Advice. | After one month of failure to adhere to the Letter of caution | A fine not more than N200, 000 for every false or misleading information N100, 000 each day where the offence continues | If violation persist after Monetary penalty | | Legal action if violation persists | |
| 3 | Ensuring that each Employee open RSA. Sect. 11(1) | Every employee shall maintain RSA in his name with any Pension Fund Administrator of his/her choice | Failing to advise employees to open RSA or discourage or coerce. | Discouraging employees from RSA opening. | Coercing employees to open RSA with a PFA that is not of their choice. | N1,000 after 3 months per employee for every month of violation | Continuous violation after monetary penalty | | | |
| 4 | Transfer of legacy pension assets to licenced operators. Sect. 44,46 | All pension funds and assets shall be transferred to licensed operators | Upon discovery of non-transfer by the Commission | Two months after being issued a letter of advice | One month after being cautioned | One month after letter of warning to pay fine not more than N250,000 for every month of default | Two months after monetary penalty if violation persists | | Legal action if violation persists | |
| 5 | Funding of CPFA. Sect. 39 (1) (g) | To be fully funded by the employer at all times and any shortfall to be made up within 90 days | After the expiration of 90 days | One month after Letter of advice | One month after Letter of caution | Fine not more than N250,000 and N500,000 every month thereafter | Two month after monetary penalty | | | Revocation of licence |
| 6 | Funding of existing pension scheme. Sect. 39 (1) (g) | To be fully funded by the employer at all times and any shortfall to be made up within 90 days. | After the expiration of 90 days | One month after Letter of advise | One month after Letter of caution | Fine not more than N250,000 and N500,000 every month thereafter | Two month after monetary penalty | | Withdrawal of approval | |

| S/N | OPERATORS PFA/PFC | | PENALTY FOR NON-COMPLIANCE | | | | | | | |
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| | COMPLIANCE ISSUES WITH REGARD TO: | MINIMUM CONLIANCE STANDARD | Letter of Advice | Letter of Caution | Letter of Warning | Monetary Penalty | Naming and Shaming | Suspension & Removal of officer and director | Litigation and others | Revocation of License |
| 1 | Management of Pension Fund. Sect.45 (b) PFA | The custody and management of pension assets shall be the sole businesses of PFC and PFA, respectively | | | Immediately upon discovery by the Commission. | N250,000 penalties, forfeiture of any gain/benefit from violation. Also, N100,000 for every month violation persist | If violation continue after monetary penalty | | | Revocation of licence |
| 2 | Submission of audited financial statement. Sect. 56 (3) (a) PFA/PFC | Submission of Audited financial accounts to the Commission not later than 120 days from the end of its Financial year. | 3 weeks after due date | 4 weeks after the advise letter | 6 weeks after caution letter | Penalty of not less than N1million after 3 month of warning letter. N100,000 for every moth thereafter | If violation continuous after monetary penalty | | | |
| 3 | Publication in 2 daily Newspapers. Sect. 56 (3) (b) PFA/PFC | Publication of audited account approved by the Commission in at least 2 daily newspapers printed and circulated in Nigeria within one month of the approval by the Commission; | 3 weeks after approval from the Commission | 4 weeks after the advise letter | 6 weeks after caution letter | Penalty of not more than N250,000 after a month of warning letter. N200,000 for every month thereafter | If violation continues one month after monetary penalty | | | |
| 4 | Exhibition of approved audited accounts. Sec t. 56 (3) (c) PFA/PFC | Exhibit approved audited accounts in a conspicuous position in each of its offices and branches within 30 days of the approval throughout the Financial year | 3 weeks after approval by the Commission | 4 weeks after the advise letter | 6 weeks after caution letter | Penalty of not less than N200,000 after month of letter of warning. N10,000 after every month thereafter | If violation continuous one month after monetary penalty. | | | |
| 5 | Submission of list of staff dismissed/terminated on grounds of fraud. Sect. 63 PFA/PFC | Every PFA/PFC shall render reports on dismissed/ terminated staff at intervals to be determined by the Commission | After expiration of the period to submit the statutory | Two weeks after the advise letter | A month after the caution letter | Pay amount not less than N1,000,000 to the Commission | After 2 consecutive failure to submit the reports at | | Legal action if violation continues | |
| 6 | Employment of dismissed, terminate person. | Employ person whose name is not on the list maintained by the commission on fraud and related offences. | Upon discovery that a dismissed person is employed by a PFA or PFC | | If the operator refuses to terminate the appointment of such person(s) | Pay amount not less than N1,000,000 to the Commission | If the offence persists | | Legal action | Revocation of licence |
| 7 | Appointments to Board and Top Management. Sect. 67 PFA/PFC | All Chief Executive officers or Directors as well as Top management of PFA shall only be appointed after prior written approval of the Commission | | Immediately upon discovery of appointment without prior approval of the Commission. | One month after caution if approval is not obtained and appointment not revised | One month after warning N5 million for Director and N2 million for Top Management | If violation continue after monetary penalty | | Legal action if violation continues | |
| 8 | Misappropriation of Pension Assets Sect 86 PFA/PFC | | | | | | | | Legal action if violation persists | |

| OPERATORS PFA/PFC | | PENALTY FOR NON-COMPLIANCE | | | | | | | | |
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| COMPLIANCE ISSUES WITH REGARD TO: | MINIMUM CONLIANCE STANDARD | Letter of Advice | Letter of Caution | Letter of Warning | Monetary Penalty | Naming and Shaming | Suspension & Removal of officer and director | Litigation and others | Revocation of License | |
| 9 | Advertisements. Sect. 70 (2) PFA/PFC | All brochures, advertisements, communication, promotional materials are truthful in every material without omission of any fact which will make the information misleading or deceptive | | Upon discovery of the deceptive or misleading advert. | | N200,000 if the advert material is used after the caution and N10,000 for everyday thereafter | If violation continue after monetary penalty | | | |
| 10 | Investment Sect. 72 & 73 PFA | All contributions shall be invested by the PFA with the objectives of safety and maintenance of fair returns on amount invested and subject to the Commissions' guidelines | Immediately upon discovery of the violation | Two weeks after advise if portfolio is not rebalanced or violation persist | If violation persists for one month | N500,000 for each day violation continues and forfeit the profit from the investment to RSA holders and if investment has led to loss, the PFA shall be made to make up the loss(Sect.78) | If violation continue after monetary penalty | | | |
| 11 | Restricted investment Sect. 75 PFA | A PFA shall not invest pension fund assets in the shares or any other securities issued by a) PFA or PFC b) A shareholder of the PFA or PFC | Immediately upon discovery of the violation | Two weeks after advise if portfolio is not rebalanced or violation persist | If violation persists for one month | N500,000 for each day violation continues and forfeit the profit from the investment to RSA holders and if investment has led to loss, the PFA shall be made to make up the loss | If violation continue after monetary penalty | | | |
| 12 | Restriction on sale of pension fund assets 76 & 77 PFA | The PFA shall not sell or purchase pension fund assets to itself, any shareholder, director, its employee or affiliates of any shareholder nor will the PFA apply pension fund assets under its | Immediately upon discovery of the violation | Two weeks after advise if the sale/purchase is not reverted or if violation persists | If violation persists for one month | N500,000 for each day violation continues and forfeit the profit from the investment to RSA holders and if investment has led to loss, the PFA shall be made to make up the loss | If violation continue after monetary penalty | Suspension and/or removal of officer or director involved | Legal action if violation persist | |

| OPERATORS PFA/PFC | | PENALTY FOR NON-COMPLIANCE | | | | | | | | |
|-----------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------|---------------------------------------------|--|
| COMPLIANCE ISSUES WITH REGARD TO: | MINIMUM CONLIANCE STANDARD | Letter of Advice | Letter of Caution | Letter of Warning | Monetary Penalty | Naming and Shaming | Suspension & Removal of officer and director | Litigation and others | Revocation of License | |
| 13 | Customer service. Sect. 45 (e) PFA | Provide customer service support to RSA holders including access to account balances and statements on demand | If complaints are received from customers and found to be true and valid | Caution letter if violation continues one month after letter of advise | If violation continues one month after caution | N100,000 penalty and N10,000 for every month of violation after warning letter | If violation continue after monetary penalty | | | |
| 14 | Payment of retirement benefits. Sect. 47(a) Sect. 45(f) PFA | Cause to be paid retirement benefits to employees in accordance with the provision of the Act | If complaints are received from customers and found to be true and valid | Caution letter if violation continues one month after letter of advise | If violation continues one month after caution | N500,000 penalty and N10,000 for every month of violation after warning letter | If violation continue after monetary penalty | | | |
| 15 | Receiving contribution | Receive total contributions remitted by the employer on behalf of the PFA with accompanying schedules | Immediately upon discovery of receipt of contributions without schedule | Caution letter if failure to send schedule of contributions | After one month of violation and letter of caution | A fine not less than N500, 000 after issuance of warning letter if violation continue | If violation continue after monetary penalty | | | |
| 16 | Notification to PFA. Sect 47 (b) PFC | Notify the PFA within 24 hours of receipt of contributions from any employer | After a week of failure to notify the PFA | After a month of failure to notify the PFA | Two weeks after the issuance of caution letter | Not less than N500,000 for every week of failure to notify the PFA after the letter of warning | If violation continue after monetary penalty | | | |
| 17 | Statistical analysis. Sect. 47 (f) PFC | Undertake statistical analysis on the investments and returns on investment with respect to pension funds in its custody and provide data to PFA and the Commission | Advise the PFC to undertake any analysis and send to the Commission or the PFAs | Caution the PFC if they fail to undertake and submit to the Commission and PFAs within the period and in the format specified by the Commission | If failure persist for two weeks after letter of caution | A penalty of not less than N1 million after one month letter of warning | If violation continue after monetary penalty | | | |
| 18 | Obtaining of license by the PFAs and PFCs. Sect. 44 and 46 | License should be obtained by the operators from the Commission | | | | (a)In the case of an individual, to a fine not less than N5,000,000 (b)In the case of a corporate body, to a fine not less than N10,000,000 and in addition, the directors or officers shall be liable for a fine not less than N2,000,000 each | If violation continuous after violation | | Legal action if violation persists | |
| 19 | Refusal to give information. Sect. 90 | Free accesses to information at all reasonable times | After one week of refusal or immediately upon submission of false information | Continuous default for one month after issuance of Letter of Advise | After one month of failure to adhere to the Letter of caution | A fine not more than N200, 000 for every false or misleading information N100, 000 each day where the offence continues | If violation persists after Monetary penalty | | Imprisonment of a term not less than 3years | |

| OPERATORS PFA/PFC | | PENALTY FOR NON-COMPLIANCE | | | | | | | | |
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| COMPLIANCE ISSUES WITH REGARD TO: | MINIMUM CONLIANCE STANDARD | Letter of Advice | Letter of Caution | Letter of Warning | Monetary Penalty | Naming and Shaming | Suspension & Removal of officer and director | Litigation and others | Revocation of License | |
| 20 | Auditor of PFA or PFC Sect. 58 (3) | External Auditors of PFA or PFC shall have responsibility to the Commission for the protection of pension funds | 1 month upon discovery that the pension fund is not well protected. | 2 weeks after the letter of advice | 2 weeks after the letter of caution | Fine not less than 10,000,000 for the firm. | If violation continue after monetary penalty | | Imprisonment of a term not less than 3years for the responsible partner or principal officer. | |
| 21 | Monthly report on fraud, forgery and theft. Sect. 61 | PFA or PFC renders to the Commission monthly reports on fraud, forgery, or theft. That could include Nil returns | Not later than 7 working days from the date the return is due | 2 weeks after default | Continues default for one month after issuance of letter of advise | An amount not less than N500,000 | 3 consecutive default in a year | | | |
| 22 | PFA or PFC employing previously dismissed staff. Sect. 63 | The Commission should be notified when employing staff previously dismissed, terminated or advised to retire on the ground of fraud by any operator | Immediately the violation is discovered | One month after letter of advice | One month after letter of caution | An amount not less than N1,000,000 | | | | |
| 23 | Supervision and Examination. Sect. 82 | The Board of directors of the PFA or PFC shall within 30 days of receiving the report of the Commission convene an extraordinary meeting to consider the report and submit its reaction to the report and proposal for implementing any recommendations to the Commission | 2 weeks after expiration of the date to submit the report | 3 weeks after letter of advice | One month after letter of caution | N500,000 for each day during which the offence continues for more than 30 days, the Commission may, in addition to the fine suspend the license or certificate of registration of the PFA or PFC | | | | |

TABLE OF PENALTIES FOR NON-COMPLIANCE

| S/N | COMPLIANCE | MINIMUM COMPLIANCE | PENALTY | | |
|-----|------------------------------------------------------|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------------------------------|
| | EMPLOYER: | | Letter of Advice | Letter of Caution | Letter of Warning |
| 1 | 1) Remittance of Contribution | Not later than 7 working days from the day | 2 weeks after default, payment of not less | Continuous default for one month after issuance of Letter of Advice | After one month of failure to adhere to the Letter of Caution |
| 2 | 2) Refusal to give information. Sect. 90 | a) Free accesses ; b) Information or explanation would be true and reliable at all times | After one week of refusal or immediately upon submission of false information. | Continuous default for one month after issuance of Letter of Advice. | After one month of failure to adhere to the Letter of caution |
| 3 | 3) Ensuring that each Employee open RSA. Sect. 11(1) | Every employee shall maintain RSA in his name with any Pension Fund | Failing to advise employees to open RSA or discourage or coerce. | Discouraging employees from RSA opening. | Coercing employees to open RSA with a PFA that is not of their choice. |
| 4 | 4) Transfer of legacy pension assets to | All pension funds and assets shall be | Upon discovery of non-transfer by the | Two months after being issued a letter of advice | One month after being cautioned |
| 5 | 5) Funding of CPFA. | To be fully funded by | After the expiration | One month after Letter of advice | One month after Letter of caution |
| 6 | 6) Funding of existing | To be fully funded by | After the expiration | One month after Letter of advise | One month after Letter of caution |

| S/N | OPERATORS | PFA/PFC | PENALTY | | |
|-----|-----------------------------------------------|------------------------------------------------------|---------------------------------------------|------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| 1 | 6 Management of Pension Fund. Sect.45 (b) PFA | Sole business of PFA | | | Immediately upon discovery by the Commission. |
| 2 | 2) Submission of audited financial | Submission of Audited financial accounts | 3 weeks after due date | 4 weeks after the advise letter | 6 weeks after caution letter |
| 3 | 3) Publication in 2 daily Newspapers. Sect | Publication of audited accounts approved | 3 weeks after approval from the Commission | 4 weeks after the advise letter | 6 weeks after caution letter |
| 4 | 4) Exhibition of approved audited | Exhibit approved audited accounts in a | 3 weeks after approval by the Commission | 4 weeks after the advise letter | 6 weeks after caution letter |
| 5 | 5) Submission | Every PFA/PFC | After expiration | Two weeks after the advise letter | A month after the caution letter |
| 6 | 6) Employment of dismissed, terminate | Employ person whose name is not on the | Upon discovery that a dismissed person is | | If the operator refuses to terminate the appointment of such person(s) |
| 7 | 7) Appointments to Board and Top | All Chief Executive officers or Directors as well as | | Immediately upon discovery of appointment without prior approval of the Commission | One month after caution if approval is not obtained and appointment not revised |
| 8 | 8) Misappropriation of Pension Assets Sect 86 | | | | |
| 9 | 9) Advertisements. Sect. 70 (2) | All brochures, advertisements, communic | | Upon discovery of the deceptive or misleading advert. | |
| 10 | 10) Investment Sect. 72 & 73 PFA | All contributions shall be invested by the | Immediately upon discovery of the violation | Two weeks after advise if portfolio is not rebalanced or violation persist | If violation persists for one month |
| 11 | 11) Restricted | A PFA shall not | Immediately upon | Two weeks after advise if portfolio is | If violation persists for one month |

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| | Investment Sect. 75 PFA | Invest pension fund | discovery of the violation | not rebalanced or violation persist | |
| 12 | 12) Restriction on sale of pension fund assets 76 | The PFA shall not sale or purchase pension fund | Immediately upon discovery of the violation | Two weeks after advise if the sale/purchase is not reverted or if violation persists | If violation persists for one month |
| 13 | 13) Customer service. Sect. 45 (e) PFA | Provide customer service support to employees | If complain are received from | Caution letter if violation continues one month after letter of advise | If violation continues one month after caution |
| 14 | 14) Payment of retirement benefits. Sect. 47(a) Sect. 45(f) PFA | Cause to be paid retirement benefits to employees in accordance with the provision of the Act | If complain are received from customers and found to be true | Caution letter if violation continues one month after letter of advise | If violation continues one month after caution |
| 15 | 15) Receiving contribution | Receive total contributions remitted | Immediately upon discovery of receipt | Caution letter if failure to send schedule of contributions | After one month of violation and letter of caution |
| 16 | 16) Notification to PFA. Sect 47 (h) PFC | Notify the PFA within 24 hours of receipt of | After a week of failure to notify the PFA | After a month of failure to notify the PFA | Two weeks after the issuance of caution letter |
| 17 | 17) Statistical analysis. Sect. 47 (f) PFC | Undertake statistical analysis on the investment | Advise the PFC to undertake any analysis | Caution the PFC if they fail to undertake and submit to the Commission and PFAs within the period | If failure persist for two weeks after letter of caution |
| 18 | 18) Obtaining of license by the PFAs and PFCs. Sect. 44 and 46 | License should be obtained by the operators from the Commission | | | |

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| 19 | 19) Refusal to give information. Sect. 90 | Free accesses to information at all reasonable times | After one week of refusal or immediately upon submission of false information | Continuous default for one month after issuance of Letter of Advise | After one month of failure to adhere to the Letter of caution |
| 20 | 20) Auditor of PFA | External Auditors of PFA | 1 month upon | 2 weeks after the letter of advice | 2 weeks after the letter of caution |
| 21 | 21) Monthly | PFA or PFC | Not later than 7 | 2 weeks after default | Continues default for one month after |
| 22 | 22) PFA or PFC employing previously dismissed | The Commission should be notified when | Immediately the violation is discovered | One month after letter of advice | One month after letter of caution |

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| 23 | 23) Supervision and Examination. Sect. 82 | The Board of directors of the PFA or PFC shall within 30 days of receiving the report of the Commission | 2 weeks after expiration of the date to submit the report | 3 weeks after letter of advice | One month after letter of caution |
|----|----------------------------------------------|---------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------|-----------------------------------|

ANCE WITH PENSION REFORM ACT 20

FOR NON-COMPLIANCE

| Monetary Penalty | Naming and Shaming | Suspension & Removal of officer and director | Litigation and others | Revocation of License |
|-------------------------------------------------------------------------------------------------------|---------------------------------------------|----------------------------------------------|------------------------------------|-----------------------|
| 1% of the outstanding payable to the Commission | Continuous violation after monetary penalty | - | Legal action if violation persists | - |
| A fine not more than N200, 000 for every false or misleading information N100, 000 each day where the | If violation persist after Monetary penalty | | Legal action if violation persists | |
| N1,000 after 3 months per employee for every month of violation | Continuous violation after monetary penalty | | | |
| One month after letter of warning to | Two months after monetary penalty if | | Legal action if violation persists | |
| Fine not more than | Two month | | | Revocation of licence |
| Fine not more than | Two month | | Withdrawal of | |

FOR NON-COMPLIANCE

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|-----------------------------------------------------------------------------------|-------------------------------------------------|--|-------------------------------------|-----------------------|
| N250,000 penalties, forfeiture of any gain/benefit from violation. Also, N100,000 | If violation continue after monetary penalty | | | Revocation of licence |
| Penalty of not less than N1million after 3 | If violation continuous after monetary penalty | | | |
| Penalty of not more than N250,000 after a | If violation continues one month after monetary | | | |
| Penalty of not less than N200,000 after | If violation continuous one month after | | | |
| Pay amount | After 2 consecutiv | | Legal action if | |
| Pay amount not less than N1,000,000 | If the offence persists | | Legal action | Revocation of licence |
| One month after warning N5 million | If violation continue after monetary penalty | | Legal action if violation continues | |
| | | | Legal action if violation persists | |
| N200,000 if the advert material is used after | If violation continue after monetary penalty | | | |
| N500,000 for each day violation continues | If violation continue after monetary penalty | | | |
| N500,000 for each | If violation continue | | | |

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|--------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------|------------------------------------|--|
| day violation continues | after monetary penalty | | | |
| N500,000 for each day violation continues and forfeit | If violation continue after monetary penalty | Suspension and/or removal of officer or director involved | Legal action if violation persist | |
| N100,000 penalty and N10,000 for every | If violation continue after monetary penalty | | | |
| N500,000 penalty and N10,000 for every month of violation after warning letter | If violation continue after monetary penalty | | | |
| A fine not less than N500, 000 after issuance | If violation continue after monetary penalty | | | |
| Not less than N500,000 for every week of | If violation continue after monetary penalty | | | |
| A penalty of not less than N1 million after one | If violation continue after monetary penalty | | | |
| (a)In the case of an individual, to a fine not less than N5,000,000 | If violation continues after violation | | Legal action if violation persists | |

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| <p>(b) In the case of a corporate body, to a fine not less than N10,000,000 and in addition, the directors or officers shall be liable for a fine not less than N2,000,000 each</p> | | | | |
| | | | | |
| <p>A fine not more than N200,000 for every false or misleading information N100,000 each day where the offence continues</p> | <p>If violation persists after Monetary penalty</p> | | <p>Imprisonment of a term not less than 3 years</p> | |
| <p>Fine not less than N2,000,000</p> | <p>If violation continue</p> | | <p>Imprisonment of a</p> | |
| <p>An amount</p> | <p>3 consecutive</p> | | | |
| <p>An amount not less than N1,000,000</p> | | | | |

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| N500,000 for each day during which the offence continues for more than 30 days, the Commission may, in addition to | | | | |
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