**WELCOME ADDRESS BY CHINELO ANOHU-AMAZU, DIRECTOR GENERAL, NATIONAL PENSION COMMISSION AT THE CONFERENCE ON PENSION REFORM ACT 2014 ORGANISED BY THE NATIONAL PENSION COMMISSION AT CITY HALL, MISSION STREET, LAGOS ISLAND, LAGOS ON THURSDAY, 30 OCTOBER, 2014**

Protocol

1. Distinguished ladies and gentlemen, on behalf of the Board, Management and Staff of the National Pension Commission (PenCom), I am delighted to welcome all of you to this important conference on the developments ushered in by the Pension Reform Act, 2014, which is the first of series of such conferences scheduled to be held in all the six geopolitical zones. We are indeed honoured by the presence of very important personages from both the public and private sectors who, despite their very busy schedules, found it worthwhile to accept our invitation either as facilitators or participants to this conference. This underscores the confidence reposed in PenCom in its modest effort at strengthening the Contributory Pension Scheme and repositioning pension administration in Nigeria.
2. Ladies and gentlemen, you would recall that following the enactment of the defunct Pension Reform Act 2004 efforts were initiated by PenCom to address the myriad of challenges which hitherto beleaguered pension administration in Nigeria, both in the public and private sectors. Prominent among those challenges were lack of transparency in pension administration, un-sustainability due to the accumulation of huge pension liabilities and insufficiency or absence of retirement benefits coverage in the private sector.
3. It is heartwarming to note that within a decade of the pension reform and the implementation of the Contributory Pension Scheme, modest achievements were recorded by PenCom. Payment of pension under the CPS is now both prompt and consistent since 2007. From a story of about N2 trillion in pension deficit under the defunct Defined Benefits Scheme as at 2004, the CPS has accumulated a large pool of investible fund of over N4.5 trillion pension assets as at June 2014. More than 6.2 million contributors have been registered into the CPS since inception. Recently, PenCom hosted the World Pension Summit 'Africa Special' in Abuja, Nigeria. The Summit did not only provide a platform for exchange of ideas on global best practices in pension administration but also showcased the achievements of the Contributory Pension Scheme in Nigeria within the last decade.
4. However, as it is the case with every human endeavour, the PRA 2004 was not perfect. Thus, the experiences and lessons gathered in the last ten years of the implementation of the pension reform necessitated amendments to the PRA 2004. After an extensive review and stakeholder consultations, a Bill for the repeal of the 2004 Act and reenactment of a new Pension Reform Act was forwarded by Mr. President to the National Assembly in April 2013. The Bill went through legislative consideration and scrutiny after which it was passed by the National Assembly in April 2014. Mr. President assented to the Bill on 1 July, 2014, thereby bringing into effect, the Pension Reform Act 2014. Accordingly, the purpose of this conference is to sensitize our major stakeholders in the South-West geopolitical zone, on the new provisions and developments ushered in by the Pension Reform Act, 2014.
5. It is worthy to note that the Pension Reform Act 2014 re-enacted the copious provisions of the repealed 2004 Act, which include inter alia, the establishment of the Contributory Pension Scheme as well as the National Pension Commission as the sole regulator and supervisor of pension matters in Nigeria. There are also new developments introduced by the Pension Reform Act 2014, which include wider coverage for private sector employees and upward review of the minimum rate of pension contribution. The PRA 2014 has also reviewed upwards the sanctions and penalties against infractions of the provisions of the Act. The application of the CPS by States and Local Government has also received a boost under the PRA 2014, by setting a standard which State Governments are required to comply with for the benefit of their respective employees. The 2014 Act has also made provisions for voluntary participation in the CPS, thereby paving the way for the coverage of the Informal Sector.
6. Furthermore, the Pension Reform Act 2014 has made provision that allows contributors seeking to own their primary homes, to apply part of their Retirement Savings Account balances as equity contribution for residential mortgage, subject to the Guidelines issued by the Commission. It is our expectation that when it is eventually implemented, this development would assist in bridging the housing deficit in Nigeria. The Commission has also commenced the process of reviewing its Investment Regulations with a view to facilitating the investment of pension funds in bankable infrastructure projects in the country.
7. Permit me to mention that before the enactment of the PRA 2014, several states in the Federation, and particularly States in the South-West geopolitical zone, have established the CPS and are at various stages of implementation. However, the PRA 2014 has taken States and Local Government participation in the CPS to the next level by express legislative statement on coverage of employees of States and Local Governments. I would therefore like to passionately appeal to all the States and Local Governments in Nigeria that are yet to adopt or implement the CPS to quickly embark on doing so in order to avail themselves and their employees of the numerous benefits of the Scheme. It is pertinent to note that PenCom has established functional offices in the six geo-political zones in Nigeria and is now strategically positioned to facilitate and offer the needed technical assistance to States and Local Governments in their efforts to adopt and implement the CPS.
8. Ladies and gentlemen, the resource persons for this conference were carefully selected in view of their background and wealth of experience. I have no doubt in my mind that they will bring their wealth of experience to bear in today's discussions, aimed at highlighting the major developments ushered in by the PRA 2014, for the benefit of our major stakeholders and by extension the contributors under the Contributory Pension Scheme in Nigeria. It is also our expectation that the outcome of this conference will assist the Commission and our major stakeholders in the efforts towards compliance and enforcement of the PRA 2014.
9. Distinguished Ladies and Gentlemen, I wish you very fruitful deliberations.