



NATIONAL PENSION COMMISSION

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CIRCULAR

REF: PENCOM/INSP/CIR/SURV/2020/209

DATE: 22 July, 2020

TO: All Pension Fund Operators

SUBJECT: PROCEDURE FOR REPROGRAMMING RSA BALANCES OF RETIREE ALREADY ON PROGRAMMED WITHDRAWAL EXERCISING THEIR RIGHTS TO TRANSFER TO RETIREE LIFE ANNUITY

The attention of the National Pension Commission (the Commission) has been drawn to the practice of some PFAs rejection of Provisional Retiree Life Annuity (RLA) Agreement presented by retirees already on Programmed Withdrawal (PW) seeking to transfer to Retiree Life Annuity as their preferred mode of retirement on the grounds that the annuity value is lower than the current pension under the PW.

PFAs are hereby directed to reprogramme the current RSA balances of retirees on PW who choose to transfer to RLA using the following procedures:

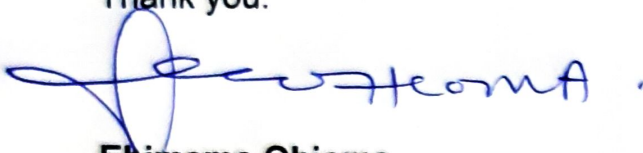
1. PFAs should issue the current RSA balance to a PW retiree seeking to transfer to RLA to obtain quotation from a Life Insurance Company of his/her choice.
2. PFAs should re-programme retiree's RSA using the present RSA balance, current age, gender. Please note that the Annual Total Emolument (ATE) provided as at retirement should still be adopted. No provision shall be made for lumpsum and pension arrears.
3. Provision shall be made for one-month pension buffer to avoid gap in pension payout.

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4. The proposed annuity value should at best be within the range of the minimum and maximum pension as determine on the PW template or higher than the maximum pension.
5. PFA should note that appropriate sanction would be imposed for violation of the provisions of this circular.
6. PFAs are required to submit monthly returns to the Commission on all RLA rejection, on or before the 10th working day of the preceding month using the attached specimen format.

This circular takes immediate effect and all enquiries regarding this circular should be directed to Babatunde Alayande via baalayande@pencom.gov.ng.

Thank you.



Ehimeme Ohioma
Head, Surveillance Department