



NATIONAL PENSION COMMISSION

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CIRCULAR

REF: PENCOM/INSP/CIR/SURV/20/1383

DATE: 1 December, 2020

TO: All Licensed Pension Fund Operators

SUBJECT: CESSATION OF PAYMENT OF DEATH BENEFIT CLAIMS TO LEGAL BENEFICIARIES WITHOUT COMMISSION'S APPROVAL

Please recall the Commission's directive to PFAs via its letter dated 16 May, 2013 to pay additional inflows into deceased employees' RSA to legal beneficiary(ies), after initial approval has been obtained, without reverting to the Commission for further approvals. However, the Commission has noted in recent times increase in death benefit payments that did not meet the required internal control measures. Hence, the need to strengthen the death benefit payment process.

Accordingly, the Commission hereby directs the immediate cessation of payment of additional death benefit claims without the Commission's approval. Consequently, the following procedure should be followed by PFAs in the processing, approval and payment of death benefit claims, going forward:

1. Requests for payment of initial death benefit claims to legal beneficiary (ies) should be submitted to the Commission for approval via the Risk Management Analysis System (RMAS).
2. Requests for payment of additional death benefit claims to legal beneficiary(ies) must be submitted through the Benefits and Insurance Department's dedicated email (benefitsinsurance@pencom.gov.ng).
3. The Commission will review requests for payment of death benefit claims and approve or decline the requests.

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4. On no account should additional death benefit claims be paid to legal beneficiary(ies) without the Commission's approval;
5. Appropriate sanction would be imposed on PFAs for violation of the above procedure for death benefit payments.
6. This Circular supersedes the Commission's letter of 16 May, 2013 on the payment of death benefit claims.
7. This Circular is effective from 1 December, 2020.

All enquiries regarding this Circular should be directed to caodionye@pencom.gov.ng.

Thank you.



Ehimeme Ohioma
Head, Surveillance Department