



# NATIONAL PENSION COMMISSION

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**TO: ALL LICENSED PENSION FUND ADMINISTRATORS AND CUSTODIANS**

**SUBJECT: CIRCULAR ON THE OPERATIONS OF BRANCH OFFICES AND SERVICE CENTRES BY LICENCED PENSION FUND ADMINISTRATORS**

**1.0** The Commission has observed the need for greater presence of Pension Fund Administrators (PFAs) across the country in order to meet the increasing demand for pension services by the public. The Commission has also observed the need for more efficient service delivery by PFAs at their Branches. To address this issue, the Commission has issued new minimum requirements for the operation of Branch Offices as well as Service Centres which were not covered under the previous Circular issued by the Commission in this regard.

## **2.0 OBJECTIVES OF THIS CIRCULAR**

The Objectives of this Circular are to:

- i. Ensure greater presence of Pension Fund Administrators (PFAs) across the country, in order to meet the increasing demand for pension services by the public.
- ii. Ensure more efficient service delivery by PFAs, to RSA holders.

### **3.0 LEGAL FRAMEWORK**

The Circular on the Operations of Branch Offices and Service Centres by Licensed Pension Fund Administrators (LPFAs) is to give effect to the provisions of Section 72 of the PRA 2014 which provides that "subject to the approval of the Commission, a Pension Fund Administrator or Pension Fund Custodian may open or close any of its branch offices anywhere within or outside Nigeria".

### **4.0 GENERAL PRINCIPLES**

The following are the conditions for opening branch offices and service centres:

- i. A PFA is required to open a Branch Office in any State where it has up to 10,000 funded Retirement Savings Accounts (RSAs).
- ii. A PFA shall in addition to (i) above, be required to open a Service Centre in a different location within the State, for every additional 10,000 funded Retirement Savings Accounts (RSAs).
- iii. Notwithstanding (i) and (ii) above, a PFA shall open a Service Centre in a State where it has up to 2,000 funded RSAs.
- iv. Any PFA that is managing the pension funds of State Government employees or any other pension scheme under the Contributory Pension Scheme (CPS), shall open a Branch Office in the State Capital, immediately the State commences funding of the Scheme.
- v. Notwithstanding (i) (ii) and (iii) above, every PFA shall have Branch Offices in, at least, two States in each geo-political zone of the country.

## 5.0 DEFINITION OF TERMS

S/N	TERM	DEFINITION
1	Branch Office and Service Centre	A branch office or service centre is an office dedicated to providing key functional services of the PFA, as stipulated in Sections 2.1 and 3.1 of this Circular.
2	Pension Fund Administrator (PFA)	Any corporate entity licensed by the Commission to administer pension funds and assets.
3	RSA Holder	An active or retired registered contributor that has a funded RSA with a licensed PFA.
4	The Commission	The National Pension Commission.

## 6.0 MINIMUM STRUCTURE OF A BRANCH OFFICE

### 6.1 Operational and Business Services

#### i. Operational Services

- Pension Administration: This covers registration and enrollment of contributors, records update, collection of contribution schedules, amongst others.
- Benefits Administration: This covers collection and review of benefits payment applications and requests for accessing equity contributions for residential mortgage.
- Customer Support: This includes attending to complaints and enquiries, RSA statements rendition, verification/enrollment of employees/retirees of treasury funded Ministries Departments & Agencies (MDAs), data recapture exercise and other support services to RSA holders.



## **ii. Business Services**

- Business Development and Marketing: ensuring participation of those mandatorily covered under the CPS and encouraging voluntary participation in the Micro Pension Plan (MPP) by workers in the informal sector/self-employed persons.
- Sensitization and enlightenment of employers, employees and Micro pension contributors on the workings of the CPS.

## **6.2 Staffing Requirements**

6.2.1 A branch office shall have a minimum of six staff as follows:

- i. A Branch Head, who shall, at the minimum, be of Deputy Manager/Assistant Manager cadre, with not less than 7 years' experience in the pension industry; and
- ii. Five other staff whose functions shall cover the operational and business services highlighted in section 6.1 above.

6.2.2 Pursuant to 6.2.1 above, the staff in the branch offices shall be graduates and full-time employees of the PFA, and not contract staff.

## **7.0 INFRASTRUCTURE AND FACILITY REQUIREMENTS**

- 7.1 A Branch Office shall be located in a conducive and secured environment. The office shall be easily accessible to the public with visible signage in front of the building.
- 7.2 A Branch Office shall be equipped with adequate facilities and equipment to enable it carry out its functions. The Branch Office shall at the minimum have adequate facilities for attending to clients such as:
- i. A suitable and conducive office space to accommodate both staff and RSA holders;
  - ii. Adequate furniture and fittings for staff and visitors;
  - iii. Adequate ICT infrastructure and office equipment such as: computers with internet connection and online real time connection with the head office, printers, scanners, secured connection, functional telephone lines;
  - iv. Alternative source(s) of power; and
  - v. Fire proof cabinet and fire safety equipment.
- 7.3 PFAs shall not open Branch Offices in a building beyond the first floor without making provisions for lift elevators to ensure easy access by RSA holders.
- 7.4 A branch office can only be co-located in the premises of the parent, subsidiary or shareholders of the PFA, only if the entrance to the branch office is different with distinct demarcations, separating the two offices and visible signage.

## **8.0 MINIMUM STRUCTURE OF A SERVICE CENTRE**

### **8.1 Operational and Business Services**

#### **i. Operational Services**

- Pension Administration: which covers registration and enrollment of contributors, records update, collection of contribution schedules, amongst others.
- Benefits Administration: which covers collection and review of benefits payment applications and requests for accessing equity contributions for residential mortgage.
- Customer Support: which includes attending to complaints and enquiries, RSA statements rendition and other support services to registered contributors.

#### **ii. Business Services**

- Business Development and Marketing of prospective clients
- Sensitization and enlightenment of employers, employees and Micro pension contributors about the workings of the CPS.

## **9.0 STAFFING REQUIREMENTS**

- 9.1 A service centre shall have a minimum of three staff: one of whom must be a University or Polytechnic graduate, with not less than 3 years' experience in the pension industry.

- 9.2 Pursuant to section 9.1 the Staff at the Service Centre shall be full-time employees of the PFA, and not contract staff or temporary staff of the parent companies or subsidiaries or shareholders of the PFAs.

## **10.0 INFRASTRUCTURE AND FACILITY REQUIREMENTS**

- 10.1 A service centre shall also be equipped with adequate infrastructure and facilities, as outlined in section 7.2 to enable it carry out its functions.
- 10.2 PFAs shall not site their Service Centres in banking or business halls of their parent, subsidiary or shareholders' companies.

## **11.0 APPROVAL PROCESSES FOR OPENING BRANCH OFFICES AND SERVICE CENTRES**

- 11.1 A PFA shall formally notify the Commission before opening a Branch Office/Service Centre and include a resolution of the Board of Directors approving the establishment of the branch office/service centre, with a detailed address.
- 11.2 The Commission shall review the notification to open a Branch Office/Service Centre and if satisfied, issue an Approval –in-Principle (AIP) within 5 working days from the receipt of the application.
- 11.3 The Commission shall arrange for physical inspection of the Branch Office/Service Centre and grant final approval subject to meeting the requirements specified in this Circular.
- 11.4 The Commission shall issue a final approval or rejection of the Branch Office/Service Centre within 10 working days after the physical inspection of the proposed Branch Office/Service Centre.



11.5 Once approval is granted, the PFA would be required to update its website, and other public information materials and forward evidence of same to the Commission.

## **12.0 UPGRADING/ DOWNGRADING OF A BRANCH OFFICE OR SERVICE CENTRE**

12.1 A PFA shall be permitted to apply for the following:

- i. Upgrade of service centre to branch office: this shall be treated in line with Section 11.0 of this Circular.
- ii. Downgrade of Branch Office to Service Centre: where a PFA has another branch office within the same State as the affected branch.
- iii. Downgrade of Branch Office to service Centre: where the total funded RSAs has gone below 10,000 and the PFA is not managing pension funds of the State Government.

12.2 The application would be considered on the basis of its merit, and shall be accompanied by the following:

- i. A resolution of the Board of Directors approving the merger/ upgrade/ downgrade;
- ii. Justification for the merger/ upgrade/ downgrade; and
- iii. Distance of the nearest Branch Office/Service Centre from the affected Branch Office/Service Centre.



- 12.3 A resolution of the Board of Directors shall not be required for relocation of a Branch Office/Service Centre within the same location or city.

### **13.0 CLOSURE/ RELOCATION OF A BRANCH OFFICE OR SERVICE CENTRE**

- 13.1 A PFA shall inform the Commission before closure/relocation of a Branch Office/Service Centre with the following information:

- i. A resolution of the Board of Directors approving the closure/relocation;
- ii. Justification for the closure/relocation; and
- iii. Distance of the nearest Branch Office from the Branch Office/Service Centre being closed or relocated.

- 13.2 The PFA shall close the Branch Office/Service Centre within 5 working days after the approval of the Commission.

### **14.0 NON- COMPLIANCE/ INFRACTIONS OF THIS CIRCULAR**

An administrative penalty of not less than ₦2 million, shall be imposed on any PFA that violates the provisions of this Circular.

### **15.0 EFFECTIVE DATE**

- 15.1 This Circular shall supersede all Circulars and Addenda on the opening of Branch Offices and Service Centres issued by the Commission.
- 15.2 A transition period of 12 months after approval and issuance of this Circular has been provided, to enable PFAs deploy adequate resources in their Branch Offices and Service Centres for the effective implementation of this Circular.

## **16.0 REVIEW**

This Circular are subject to review by the Commission, from time to time.

## **17.0 ENQUIRIES**

All enquiries regarding this Circular shall be directed to:

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