



NATIONAL PENSION COMMISSION

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CIRCULAR

REF: PENCOM/TECH/BI/RB/OA/2024/12751

DATE: 27 November, 2024

TO: MD/CEOs OF ALL LICENSED PENSION FUND ADMINISTRATORS AND CUSTODIANS

SUBJECT: IMPLEMENTATION OF SECTION 4.1(G) OF THE REVISED REGULATION ON THE ADMINISTRATION OF RETIREMENT AND TERMINAL BENEFITS IN LINE WITH THE NEW NATIONAL MINIMUM WAGE OF ₦70,000.00

The Commission has noted that President Bola Ahmed Tinubu, GCFR, had on Monday, 29 July 2024, signed the National Minimum Wage Bill into law. Accordingly, the new National Minimum Wage Act increased the National Minimum Wage from ₦30,000.00 to ₦70,000.00.

Section 4.1 (g) of the Revised Regulation on the Administration of the Retirement and Terminal Benefits (the Regulation) provides that where the Retirement Savings Account (RSA) balance cannot provide a monthly/quarterly pension or annuity of at least one-third of the prevailing minimum wage, the retiree shall be allowed to take the entire balance in the RSA en bloc.

Consequent to the above, Pension Fund Administrators (PFAs) are hereby directed as follows:

- i. To apply ₦70,000.00 being the current National Minimum Wage in processing of retirement benefits in line with the provisions of Section 4.1 (g) of the Regulation.
- ii. Retirees whose monthly/quarterly pensions are less than ₦23,333.33, representing one-third of the current minimum wage of ₦70,000.00, be allowed to choose between receiving the outstanding balance in their RSAs en bloc or continuing to receive their current monthly/quarterly pensions pending the commencement of the Minimum Pension Guarantee.


Please note that the requests for payments to retirees who choose to receive the outstanding balance in their RSAs en bloc should be forwarded to the Commission with the documents listed below for consideration and approval:

- i. A consent form reflecting that the PFA properly enlightened the retiree on the Minimum Pension Guarantee and that he/she chose to receive the outstanding balance in the RSA en bloc.
- ii. A hard copy application letter (not an electronic signature) signed by the retiree to withdraw the outstanding balance in the RSA.
- iii. The payment schedule in the template attached as Appendix 1.

You are therefore required to take all necessary measures to ensure full compliance with this Circular.

This Circular takes immediate effect.

Thank you.



A.M. Saleem
Head, Surveillance Department