



**PenCom**

**GUIDANCE NOTE ON THE REVISED PROGRAMMED  
WITHDRAWAL TEMPLATE VERSION 2 TO PENSION  
FUND ADMINISTRATORS**

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**National Pension Commission**

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## 1.0 Introduction

- 1.1 The Commission developed the Revised Programmed Withdrawal Template Version 2 (RPWT 2) to compute retirement benefits payments and monthly/quarterly pension arrears (if any) for a Retirement Savings Account (RSA) holder upon retirement or attaining the age of 50, whichever is later.
- 1.2 The RSA holder shall utilise the balance standing to the credit of his RSA for the following benefits:
- (a) Programmed monthly or quarterly withdrawals calculated on the basis of an expected life span;
  - (b) Annuity for life purchased from a life insurance company licensed by the National Insurance Commission with monthly or quarterly payments; and
  - (c) A lump sum from the balance standing to the credit of his retirement savings account: provided that the amount left after that lump sum withdrawal shall be sufficient to procure an annuity or fund programmed withdrawals that will produce an amount not less than **50** per cent of his annual remuneration as at the date of his retirement.
- 1.2 The RPWT Version 2 has removed the retirement age limitation and now accepts 65 years and above to accommodate the broad categories of retirees in the different sectors of the economy.

- 1.3 The RPWT Version 2 was designed for the PFAs in line with the provisions of section 2.2.6 of the Revised Regulation on Retirement and Terminal Benefits, which stipulates that the Commission shall provide PFAs with the Standard Retirement Benefit Computation (SRBC) Template, including necessary details such as the Mortality Table, Assumed Rate of Return and Applicable Commission/Fees Chargeable, for computing retirement benefits.
- 1.4 This Guidance Note seeks to provide PFAs with a standard procedure for calculating retirement benefits such as lump sums, monthly/quarterly pensions, and pension arrears, using age, gender, final salary, the RSA balance, pension arrears, and the A55 adjusted mortality table for eligible retirees.

## **2.0 Objectives of the Guidance Note**

- 2.1 To establish a uniform set of rules for adherence by PFAs regarding the computation of retirement benefits and allowable months in pension arrears for all retirees in the Federal Government MDAs, States, Self-Funding Agencies and Private sector.
- 2.2 To provide a uniform set of rules, standards and parameters to be adopted by all Pension Fund Operators.
- 2.3 To provide a uniform structure for the validation of the ATE of the employees of the Federal Treasury-Funded MDAs against the respective salary structures approved by the National Salaries, Incomes & Wages Commission.

- 2.4 To lift the restriction of lump sum access to a maximum of **50%** of the RSA balance to enable retirees with sufficient funds to obtain a significant lump sum amount.
- 2.5 The Guidance Note outlines the procedures for payment of retirement benefits for prospective retirees using the RPWT Version 2.

### **3.0 Eligibility Criteria for accessing the Programmed withdrawal Template**

- 3.1 It applies only to employees who retire under the Contributory Pension Scheme (CPS) and are yet to be programmed as at the release date of the RPWT Version 2.
- 3.2 Retirees who choose the Programmed Withdrawal as their preferred mode of retirement benefit payment or Retiree Life Annuity (RLA) Option at retirement as at the release date of the RPWT Version 2.

### **4.0 Documentation Requirements for the Processing of the Prospective Retirees' Retirement Benefits:**

- 4.1 The prospective retiree shall complete the Standard Notice Retirement (SNR) Form with his/her PFA.
- 4.2 PFAs shall ensure the submission of the under-list documents from each retiree:
- i. Valid means of identification, which shall be any of the following:
    - a) Driver's License

- b) International Passport
  - c) National Identification Number (NIN) slip; or
  - d) True certified copy of any of a -c duly stamped by Notary Public
- ii. Official notice/acceptance of retirement from the employer
  - iii. Birth Certificate or Age Declaration affidavit.
  - iv. Last three (3) pay slips or any other evidence of ATE
  - v. Enrolment slip (for employees of FGN Treasury-Funded MDAs)
  - vi. Medical Certificate certifying that he/she can no longer continue with the employment due to incapacitation. The certificate shall be issued by a qualified physician or a properly constituted Medical Board. (If retirement is on health grounds).
  - vii. Where the employee is not in a position to submit the medical certificate in person, his representative/ NoK shall do so on his/her behalf.
  - viii. The letter of notification/acceptance of retirement issued by his/her employer also confirming that the retirement is on medical grounds.

## 5.0 Classification of Sector

5.1 The retirees are to be classified into two broad employment sectors, namely, Public (Treasury-Funded MDAs and Self-Funding Agencies) and Private Sectors of the economy. The list of Treasury Funded MDAs is attached as **Appendix I**, which the Commission shall review from time to time.

## 5.2 Submission Process of Pay-Out Request by PFAs

5.2.1 PFAs are required to prepare, confirm and forward Programmed Withdrawal Request in the format specified by the Commission.

5.2.2 For single processing, PFAs are required to input the information listed in Table 1 below in the RPWT Version 2.

### A. Inputs

**Table 1: Variables Template**

SN	TITLE	DESCRIPTION	
1	Salary Structure	XXXXXX	Select from drop down either Public/Private Input Grade level and Step
2	Grade Level	NUMERIC DIGIT (XX)	
3	Step	NUMERIC DIGIT (XX)	
4	Gender	M or F (SPACE NOT ALLOWED)	
5	Date of Birth	DD-MMM-YYYY (MUST BE DATE NOT TEXT)	
6	Date of Retirement	DD-MMM-YYYY(MUST BE DATE NOT TEXT)	
7	Date of Programming (PFA Provided Date)	DD-MMM-YYYY(MUST BE DATE NOT TEXT)	
8	RSA Balance	NUMERIC DIGIT TO 2 DECIMAL XXXXXX.XX	
9	Annual Final Salary	NUMERIC DIGIT TO 2 DECIMAL XXXX.XX	

## B. Outputs

The RPWT Version 2 would generate the outputs listed in table 2 below:

**Table 2: Variables Template**

10	Validated Final Annual Salary	<b>NUMERIC DIGIT TO 2 DECIMAL XXXX.XX</b>
11	Recommended Pension	<b>NUMERIC DIGIT TO 2 DECIMAL XXXX.XX</b>
12	Recommended Lump sum	<b>NUMERIC DIGIT TO 2 DECIMAL XXXXX.XX</b>
<b>Pension Arrears (Where Applicable)</b>		
13	Number of Payments in Arrears	<b>XX</b>
14	Periodic Pension	<b>XXXX.XX</b>
15	Pension Arrears	<b>XXXX.XX</b>
16	Lump Sum Amount	<b>XXXXXX.XX</b>
17	Total Upfront Payment	<b>XXXXXX.XX</b>

5.2.3 For Batch processing, PFAs are required to input in the RPWT Version 2 the information listed in Table 3 below:

## C. Inputs

**Table 3: Format for Submission of Programmed Withdrawal Request**

<b>SN</b>	<b>TITLE</b>	<b>DESCRIPTION</b>
1	RSA PIN	PEN+12 DIGITS
2	Surname	Full Surname ( <b><i>No Initials</i></b> )
3	First Name	Full First name ( <b><i>No Initials</i></b> )
4	Middle Name ( <b>if any</b> )	Full Middle name ( <b><i>No Initials</i></b> )



5	Gender	M or F
6	Date of Birth	DD-MMM-YYYY
7	Date of Retirement	DD-MMM-YYYY
8	Employer Name	Full name of Employer ( <b>No Abbreviations</b> )
9	Employer Code	PenCom assigned Code for the Employer
10	Sector	Public or Private
11	Salary Structure	Treasury Funded only
12	Grade Level	Treasury Funded only
13	Step	Treasury Funded only
14	PFA Name	Full PFA name ( <b>No Abbreviations</b> )
15	Date of Programming	DD-MMM-YYYY
16	RSA Balance as at programming date	Numeric Digits to 2 decimal places
17	Final Salary	Numeric Digits to 2 decimal places

#### D. Outputs

The RPWT Version 2 would generate the outputs listed in the table 4 below:

SN	TITLE	DESCRIPTION
1	Validated Final Salary ( <b>TF MDAs Only</b> )	Numeric Digits to 2 decimal places
2	Recommended Pension ( <b>Mthly/Qtrly</b> )	Numeric Digits to 2 decimal places
3	Recommended Lump sum	Numeric Digits to 2 decimal places
<b>Pension Arrears (Where Applicable)</b>		
4	Number of Payments in arrears	Numeric Digits
5	Periodic Pension	Numeric Digits to 2 decimal places
6	Pension Arrears ( <b>if any</b> )	Numeric Digits to 2 decimal places
7	Lump sum Amount	Numeric Digits to 2 decimal places

8	Total Upfront	Numeric Digits to 2 decimal places
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5.2.4 The business process for the above input and output is attached as **Appendix II**.

## **6.0 Implementation Strategy**

### **6.1 Request for Approval of Retirement Benefits by PFA**

6.1.1 To facilitate the smooth process of the approval of retirement benefits, PFAs are required to review the data/information of prospective retirees provided in the SNR Form against the required documents in 4.1 above, as well as their database.

6.1.2 The PFAs shall utilise the input format provided by the Commission to prepare the data/information of prospective retirees and review the final salary provided by Treasury-Funded prospective retirees against the salary structure database.

6.1.3 The PFAs shall utilise the RPWT Version 2 to compute the lump sum and pension (monthly/quarterly) using the input parameters provided in clause 5.2.2 (a) above.

6.1.4 PFAs should inform the retiree of the recommended monthly pension and lump sum, and the retiree may agree with their recommendation or his preferred monthly pension and lump sum.

## **7.0 ENQUIRIES**

All enquiries regarding this Guidance Note shall be directed to:

The Director General  
National Pension Commission  
174, Adetokunbo Ademola Crescent  
Wuse II Abuja- Nigeria