



CIRCULAR

REF: PenCom/NAICOM/JCIR/2025/002

DATE: 3 November 2025

TO: Licensed Pension Fund Operators and Retiree Life Annuity Providers

SUBJECT: CLARIFICATION ON THE TREATMENT OF ADDITIONAL INFLOWS INTO THE RETIREMENT SAVINGS ACCOUNT OF RETIREES ON RETIREE LIFE ANNUITY

The National Pension Commission (PenCom) and the National Insurance Commission (NAICOM) have received complaints from annuitants regarding the application of the provisions of the Revised Regulation on Retiree Life Annuity (RLA) 2020, particularly Paragraphs 5.1.22 – 5.1.24, which address the treatment of additional inflows into the Retirement Savings Accounts (RSAs) of retirees already on Retiree Life Annuity (RLA). Consequently, the PenCom and NAICOM deem it necessary to provide the following clarifications and directives to address the concerns:

1. Treatment of Additional Inflows

All Licensed Pension Fund Operators and Retiree Life Annuity Providers are hereby directed as follows:

a. Notification of Inflow:

- i. The Pension Fund Administrator (PFA) shall notify the retiree of any additional remittance(s) or inflow into the retiree's RSA.

b. Threshold of ₦100,000.00 and Below:

- i. Where the additional inflow is not more than One Hundred Thousand Naira (₦100,000.00), the PFA shall remit the entire amount directly to the retiree's designated bank account.

c. Above ₦100,000.00 - Retiree Pension Already up to 50% of Last Salary:

- ii. Where the additional inflow exceeds One Hundred Thousand Naira (₦100,000.00), the PFA shall first determine whether the retiree's annuity provides up to 50% of the retiree's final/ last salary at retirement.

iii. If the annuity is already up to 50% of the retiree's final salary, the PFA shall give the retiree the option to either:

a) Receive the inflow as a lump sum payment into his/her bank account; or

b) Apply the inflow as additional premium for the purchase of an additional annuity from the existing RLA Provider.

d. Above ~~N~~100,000.00 – Retiree Pension Less than 50% of Last Salary:

i. Where the retiree's current annuity is less than fifty percent (50%) of the retiree's final/last salary, the PFA shall require the retiree to apply the inflow, in whole or in part, as additional premium to augment the annuity up to the 50% threshold.

ii. Any remaining balance, after achieving the 50% threshold, may at the retiree's option, be applied as follows:

a) Paid to the retiree as a lump sum; or

b) Applied as further additional premium for annuity purchase.

2. Compliance

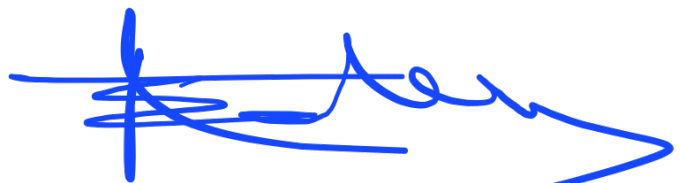
All Licensed Pension Fund Operators and Retiree Life Annuity Providers are required to take note of this clarification and ensure strict compliance with the above directives with immediate effect.

For enquiries or further clarification, please contact NAICOM or PenCom through the designated channels.

Signed



Dr. Talmiz Usman
Director (Legal, Enforcement &
Market Development)
National Insurance Commission



A. M. Saleem
Director (Surveillance Department)
National Pension Commission

