



NATIONAL PENSION COMMISSION

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GENERAL NOTICE ON COMPLIANCE WITH THE PROVISIONS OF THE PENSION REFORM ACT 2014 (PRA 2014) BY EMPLOYER OR BUSINESS THAT EMPLOYS THREE (3) OR MORE PERSONS

1. The National Pension Commission (PenCom) hereby notifies the General Public that pursuant to the provisions of the Pension Reform Act, 2014 (PRA, 2014), it is **NOW** mandatory with effect from **1 July, 2014**, for employers of labour including the Ministries, Departments and Agencies of the Federal Government of Nigeria, Federal Capital Territory, Government of a State in Nigeria, Local Government Council and any organization or business in the private sector that employs **THREE (3) PERSONS OR MORE**, to participate in the Contributory Pension Scheme (the Scheme).
2. The PRA 2014 further provides that the contribution for any employee to which the Act applies shall be made in the following rates relating to his monthly emoluments:
 1. a minimum of ten percent (10%) by the employer, and
 2. a minimum of eight percent (8%) by the employee.

However, an employer may elect to bear the full responsibility of the contribution provided the employer's contribution shall not be less than 18% of the monthly emolument of the employee.
3. Monthly emoluments means "total emoluments as may be defined in the employee's contract of employment but shall not be less than a total sum of basic salary, housing allowance and transport allowance".
4. Furthermore, every employer is required to maintain a Group Life Insurance Policy in favour of each employee for a minimum of three (3) times the annual total emolument. Premium shall be paid not later than the date of commencement of the cover.

Meanwhile, annual total emolument in relation to Group Life Insurance Policy to be maintained by an employer means "the gross emoluments of an employee or deceased person".
5. The General Public should note that failure, refusal and/or neglect to comply with the provisions of the PRA 2014 constitute an offence.

Signed:
MANAGEMENT