

# RETIREMENT BENEFITS AND PENSION SCHEME FOR TEACHERS: ISSUES AND PROBLEMS OF POLICY IMPLEMENTATION IN NIGERIA

*Dr. Isaac A. Odiba and Elder Danniell A. Akagwu*

## **Abstract**

The main focus of this paper is on the retirement benefits and pension scheme for teachers. Retirement was conceived in this paper as an inevitable stage of ageing where the individual gradually disengages from the main stream of active work, social life and is eventually replaced with younger ones. The Nigeria policy as it effects pension and gratuity in terms of policy implementation was X-rayed. It was recommended among others that, since teachers are the makers of other professions, separate pension board should be established to take care of the implementation of government policies on teachers retiring benefits and pension.

## **Introduction**

The term retirement conjures different meaning to different people. Retirement defines a process of giving up ones regular work because of advancing age. Retirement is not a total break from activity rather it is resting from an active job to a less demanding job. It is a leg in ones career and a time to slow down so as to enjoy ones labour. Cole (1991), sees retirement as the time when an employee reaches the end of his work life. Earlier Buckley (1974), considered retirement as an inevitable state of ageing where the individual gradually disengages from the main stream of active work, social life and is eventually replaced with younger ones. Herz (1995), opined that the concept retirement should be considered as the end state of a linear working life. Okeke (2004), contended that, retirement means cessation of service after an officer has served for a period of not less than 15 years being periods respectively appointed.

Maji (2006), in line with Okeke (2004), sees retirement as the act of an employee's official disengagement from the regular permanent career job especially because the employee has attained a particular age. Usually, 60 years of age or 35 years of working life is considered as the yardstick.

At this point the authors want to posit that the conceptualization of the term policy is fiet with ambiguities. According to Okeke (2004), some writers see policy as a concept that has the same connotation as goals, purposes, objectives, rules, guidelines, actions, pattern of behaviour, and governmental activities of conditional imperatives. He further opined that policy refers to management thinking on basic matters. Invariably, policies is one thing that can be formulated, generated, decided upon, adopted, implemented, violated, revised and rescinded (Okeke, 1989).

The governments of all nations have specific policies for resignation of appointment, retirement from service and the benefits that accrue. The right of teacher to hold his appointment for as long ns time he renders an efficient service, withdraw, terminate or resign the appointment for whatever reason is provided for in the tenure and continuing contract ((Okeke, 2004).

Teachers at all levels receive moderate salaries and wages. The issue of saving is far from many as a result of high consumption rate and the incidence of inflation in the economy. It is for this purpose that the government formulated policies on pension and other retirement benefits. Suffice to say that a wall of different exist between retirement benefits and pension. According to Okeke (1984), retirement benefits refer to annuities built up for retirement years of the worker by joint contributions of the individual and his employer, while pension refers to an outright grant from public funds to retired person.

The teacher is the centre between knowledge and learning. All professional are made by the teacher and the teaching profession, yet the teachers the most neglected, in terms of payments and societal recognition. The level of corruption in the society keeps are in doubt as per the proper implementation of pension policy. The teacher because of his job location may be far from information on pension and gratuity. A quick look at the payment of pensions and gratuity in the society put the retired teachers at a disadvantage. This paper therefore, serves as an eye opener to serving teachers and retiring teachers on the procedures to pension and gratuity payments.

## The Nigeria Policy with Regard to Retirement

Policies of the government vary from nation with little modification in operation. Policies generally are guides for taking future actions. In fact policies are non-scientific and can attract normative interpretation. McClellan in Okeke (1997:31), defines policy as

A statement that is (1) intended to be a binding guide on the actions of those designated by the statement. (2) Enforceable and enforced by the society (large or small), which formulated it (3) formulated and adopted through a political process that is a process which acknowledges the reality and legitimacy of conflicting interest and desire among its participants.

Also one can say that a policy is sometimes the outcome of a political compromise among policy makers (Okeke, 1997). Policies are therefore building blocks for solving problems and achieve goals and purpose of any given organization. It is therefore the duty of the administration in place to find out ways to effectively implementation policies so formulated to achieve the desired goals. In an enlightened society it is direct prerogative of professional opinions divorced from political bias.

Further still, it is policy of the government that between 1<sup>st</sup> April 1979 and 31<sup>st</sup> May, 1992 a worker qualifies for pension of 70% of his final pay. As from 1992 to date. 10 years of service qualifies an employer for pension and 35 years of services for 80% of the total emoluments on his substantive rank. By the government policy, pensions are not calculated on acting appointment or on secondment terms. Again, pension payment is derivable only when the officer attains the age of 45 years and when he is 60 years of age he must retire. Any service put in after 35 years of service or 60 years of age is counter productive for the retires as every payment after the two periods will be deducted from gratuity due to him. The rate of pension payment per annum is 2%.

Igwe (1990) and Okeke (2004), opined that in the case of retirement scheme for teachers only those in direct government services enjoyed it before the state take over of schools in the early 1970s, in fact before this time, teachers in voluntary agency schools had no retirement benefits of scheme. With the state take over of schools in 1970 and the unification of public service following the review commission blue prints to accommodate the teachers in the retirement benefits scheme. For instance, Igwe (1990), posited that the Imo state education edict of 1985 provides that the state schools management Board be empowered to:

Grant pensions, gratuities and other retiring benefits to its employees or to the estate or to the department of the deceased employees in accordance with the civil service pension scheme as provided in the pensions law (cap. 92), laws of Eastern Nigeria, 1963 and pension decree NO. 102 of 1979 and the regulations made there under which may from time to time be in force.,, p. 303.

The retiring benefits in the form of pensions and gratuities are computed as provided in the table below.

**Table 1 Years of Service and Percentage of Gratuity And Pension Final Annual Salary for Public Officers in Nigeria Except Members of**

Years of Service	Percentage gratuity	Percentage pension
10	100	-
11	110	-
12	120	-
13	130	-
14	140	-
15	100	30
16	110	32
17	129	34
18	130	36
19	140	38
20	150	40
21	- 160	42

22	170	44
23	180	46
24	190	48
25	200	50
26	210	52
27	220	54
28	230	56
29	240	58
30	250	60
31	260	62
32	270	64
33	280	66
34	290	68
35	300	70

Source: culled from Igwe, S.O. (1990). Professional Handbook for teachers page 304

According to Omale, in Abbah and Ayegba (2006), the pension calculations as par Table 1, applies to gratuity and pension before the new compulsory pension scheme. From Table 1, it is clear that employees who have spent 10-14 years in service can only receive gratuity and not pension. 15 years of service attracts gratuity of 100% of annual salary on retirement and 30% of annual salary as pension. At 35 years of service, the employee attracts 300% of his final pay as gratuity and 70% of final pay as pension. This practice according to Igwe (1990), has attracted sincere protect among not only the teachers but other employees.

Retirement irrespective of years could be voluntary or compulsory. Volunteer retirement happen when individual worker decides to willingly resign or withdraw his service, after a minimum of 10 years of service. Compulsory retirement is in two spheres — viz forced retirement happens when workers do not plan for retirement but asked by the organization or government to retire. A case in

point is the 1985 mass retrenchment and retirement of workers under Buhari regime. The mandatory retirement is based on the Government labour.

Pension Decree (1979), No. 102 part 1, paragraph 3 (1), declares what pension or gratuity shall be public service in any of the following circumstances.

- a) On voluntary retirement after qualifying service often years up to 31<sup>st</sup> march 1977 and fifteen years as from 1<sup>st</sup> April 1977;
- b) On compulsory retirement under the provision of the pension decree; 1979.
- c) On compulsory retirement for the purpose of facilitating improvement in the organization of the officers department or ministry that greater efficiency or economy may be affected;
- d) On the advice of a properly constituted medical board certifying that the functions of his office;
- e) On total or permanent disablement while in the service;
- f) On abolition of his officer by decree;
- g) If he is required by the public service commission of the federation to retire on the ground that his retirement is in the public interest;
- h) To take up appointment in the local government or as a member or head there of with the prior consent of the commissioner, if the commissioner is satisfied that such retirement is in the public interest.

The above stipulations are to guide policy implementation and not policy formulation. The problem with the society is not policy formulation but policy implementation. Certain parameters direct the pace of policy implementation in any given society. In Nigeria for instance, some o these parameters identified by Okeke (1989), include; The general level of national development ethnic and religious relations; competence and sincerity of the government bureaucracy in pursuing development and equity; the systems degree of development of other subsystems within he system; the nature of educational system; and attitude towards participation in the implementation of planned change. The Federal Ministry Government identified "bureaucratic nut" as the major factor that impeded effective and faithful implementation of policies and

programmes in Nigeria.

Nigeria is a country where there is no level playground for the various professions in terms of procedures and process of policy implementation. Okeke (2004), contended that, while the armed forces operate different pension scheme from that of the public services, the federal government in 1990, approved an independent pension department for the internal affairs department to take care of the pensions of custom, immigration and prison services. By these therefore, the new body would process, approve all pensions and retirement benefits for all officers in the three department of the internal affairs ministry.

With the plight of teachers at all levels and rigorous processes of their pension and gratuity (Okeke, 2004), one would begin to doubt the sincerity of the government in the policy statement that no educational system may rise above the quality of its teacher (Federal Ministry of Education, FME 2004). Our government or policy makers have forgotten that teachers' attainment of job satisfaction and their productive levels depend on the conditions of service operated for them? It is sad to observe that retiring teachers in some states of Nigeria receive their benefits six months after effective date of retirement from service, even when they have given three months notices of retirement

### **Conclusion**

Workers in the public and civil service are expected to be paid their pensions and gratuity at retirement. The retirement age of sixty years and thirty -five years of service is in place in Nigeria based on the 1979 pension decree. A lot uncertainties becloud teachers who are still in service about

retirement is in pension and retirement benefits. In fact the retiring benefits of teachers are scarcely paid at the appropriate time as a result of bureaucratic formation in the system.

### **Recommendation**

The following are the recommendations of this paper:

- (1) Since teachers are the makers of other professions, separate pension board should be established to take care of the implementation of government policies on teachers retiring benefits and pensions. The teachers at all levels of educational development spend a minimum of thirty- five years in service, developing the man power of the economy irrespective of the profession. The teachers perform more jobs than the military yet the military has its separate pension's board.
- (2) There should be proper supervision of the records unit of the ministry of education as per the computation of the record of services and personal data of teachers. This is to disallow any form of distortion of record. Thorough supervision will ensure that people will retire at the appropriate time and payment adequately.

### **Reference**

- Abbah, R.L and Ayegba, E.M.A. (2006), (Eds). *Towards Fruitful Retirement from Service*. Ankpa Cuca Publication
- Buckley, J.C. (1974). *The Retirement Handbook*, New York: Harper and Row.
- Cole, G.A. (1991). *Personnel Management Theory and Practice*. London: D.P. Publications Ltd
- Herz, R.T. (1995). *Work-after Early Retirement an Increasing Trend Among Men*. Monthly Labour Review, June; 118 (4), Pp 13-20
- Federal Ministry of Education (2004). *National Policy on Education* Lagos: Nigeria educational development council press.
- Igwe, S.O. (1990). *Professional Handbook for Teachers*. Owerri: New African Publishing Company Ltd.
- Okeke, B.S (1989). *Education Policy-making in Nigeria: A study in diversity*. JEDA Vol. 6. pg. 28-36.
- Okeke, B.S. (1997). *Introduction to Political of Education*. Port Harcourt: Bengray Publishing

company.

Okeke, B.S. (2004). *Teaching in Nigeria: the Bureaucracy and Professionalism*, Port - Harcourt: Mercy Int'I publishing Nig.

