

A BILL
FOR
A LAW TO MAKE PROVISION FOR A CONTRIBUTORY PENSION
SCHEME FOR EMPLOYEES IN THE PUBLIC SERVICE OF XXXXXXXXX
STATE AND FOR MATTERS CONNECTED THEREWITH

Commencement.

BE IT ENACTED by the House of Assembly of XXXX State of
Nigeria as follows:

PART I - PRELIMINARY

Citation.

1. This Law may be cited as the XXXX State Pension Reform Law, yyyy

Interpretation.

- 2 In this Law :-

“Act” means the Pension Reform Act, 2014

“the Commission” means the National Pension Commission established under Section 17 of the Act;

“Court of competent jurisdiction” includes the Federal High Court, High Court of the Federal Capital Territory, High Court of a State and the National Industrial Court;

“Pension Fund Custodian” means a Company incorporated under the Companies and Allied Matters Act that has been licensed by the Commission under the Act;

“Employee” means any person employed in the Service of the Federation, the Federal Capital Territory, a Government of a State of Nigeria, Local Government Council or private company or organization or firm;

“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;

“Public Service of the Federation” is as defined in Section 318 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended), including the Federal Capital Territory;

“Pension Fund” means an investment fund within the Pension Scheme, which is intended to accumulate during an individual’s working life, from contributions and investments income, with the intention of providing income in retirement from the purchase of an annuity or in the form of a programmed withdrawal, with the possible option of an additional tax-free cash lump sum being paid to the individual;

“Pension Asset” means all assets set aside as retirement benefits;

“Pension Fund Administrator” means any body corporate licensed by the Commission as a Pension Fund Administrator;

“Programmed withdrawal” means a product offered by a Pension Fund Administrator for periodic payments to a beneficiary of a Retirement Savings Account as specified in Section 7 of this Law;

“Retirement Savings Account” means an Account opened with a Pension Fund Administrator as specified in Section 13 of this Law;

“Scheme” means the Contributory Pension Scheme established under Section 3 of this Law;

“State” means XXXX State of the Federal Republic of Nigeria, listed in the First Schedule to the Constitution of the Federal Republic of Nigeria 1999 (as amended).

“State Pension Bureau” means An Administrative Structure established by a State pursuant to the Law to drive implementation of the Contributory Pension Scheme and administration of Defined Benefit Scheme or any other Scheme in the State.

PART II – ESTABLISHMENT OF A CONTRIBUTORY PENSION
SCHEME FOR THE PUBLIC SERVICE OF THE STATE

1. The objectives of this Law are to-
- (a) establish a uniform set of rules, regulations and standards for the administration and payment of retirement benefits for the Public Service of the State Government and the Public Service of the Local Government Councils;
 - (b) make provision for the smooth operations of the Contributory Pension Scheme;
 - (c) ensure that every person who worked in either the Public Service of the State or Local Government receives his retirement benefits as and when due;
 - (d) assist improvident individuals by ensuring that they save in order to cater for their livelihood during old age.

2. The provisions of this Law shall apply to any employment in the Public Service of the State and the Public Service of the Local Governments.

3. (1) There is hereby established for every employment in the Public Service of the State and the Public Service of the Local Government Councils, a Contributory Pension Scheme (in this Law referred to as the Scheme) for the payment of retirement benefits of employees to whom the Scheme applies under this Law.

(2) Subject to the provisions of Section 5 of this Law, the Scheme established under subsection (1) of this section shall apply to all employees in the Public Service of the State and the Public Service of the Local Government Councils.

4. (1) Subject to such rules, regulations and standards as may be prescribed by the Commission, the contribution of any employee to whom the Law applies shall consist of –

- (a) a minimum of ten percent (10%) of the monthly emolument of the employee to be contributed by the employer; and
- (b) a minimum of eight percent (8%) of the monthly emolument of the employee to be contributed by the employee.

Rates of
Contribution to the
Scheme

(2) The rates of contributions mentioned in subsection (1) of this section may, upon agreement between the employer and employee, be revised upwards, from time to time, and the Commission shall be notified of such revision through the Bureau.

(3) Notwithstanding any of the provisions of this Law, an employer may -

- (a) agree on the payment of additional benefits to the employee upon retirement; or
- (b) elect to bear the full responsibility of the Scheme, provided that in such a case the employer's contribution shall not be less than 18 percent of the monthly emoluments of the employee.

(4) In addition to the rates specified in sub-section (1) of this Section, every employer shall maintain a Group Life Insurance Policy in favour of each employee for a minimum of three times the annual total emolument of the employee and premium shall be paid not later than the date of commencement of the cover.

(5) Where the employer failed, refused or omitted to maintain Group Life Insurance Policy or make payment of the premium as and when due, the employer shall make arrangement to effect the payment of claims arising from the death of any staff in its employment during such period.

(6) Subject to such guidelines as may be issued, from time to time, by the Commission, any person who is not ordinarily covered under Section 3 of this Law shall be entitled to make voluntary contributions under the Scheme.

(7) Any employee to whom this Law applies may, in addition to the total contributions being made by him and his employer, make voluntary contributions to his Retirement Savings Account.

Exemptions from the Scheme.

5. (1) Notwithstanding the provisions of sub-section (2) of Section 3 of this Law, any employee who is entitled to retirement benefits under any pension scheme existing before the commencement date of this law, but as at that date had years to retire shall be exempted from this Scheme.

(2) The categories of persons mentioned in Section 291 of the Constitution of the Federal Republic of Nigeria, 1999 (as amended), shall be exempted from the scheme.

(3) Any person who falls within the provisions of subsections 1 and 2 of this section shall continue to derive retirement benefits under the existing Pay-As-You-Go Pension Scheme of the Public Service of the State as amplified in the Second Schedule to the Act.

(4) Nothing in this Law shall preclude the right of any person mentioned in sub-section (1) and (2) of this Law to be paid his pension as and when due.

Withdrawal from
Retirement Savings
Account

6. (1) An employee shall not be entitled to make any withdrawal from his Retirement Savings Account opened under Section 12 (1) of this Law, before attaining the age of 50 years

(2) Notwithstanding the provisions of sub-section (1) of this Section, any employee who retires, disengages or is disengaged from employment -

- (a) on the advice of a suitably qualified physician or a properly constituted medical board certifying that the employee is no longer mentally or physically capable of carrying out the functions of his office;
- (b) due to total or permanent disability either of mind or body; or
- (c) before the age of 50 years in accordance with the terms and conditions of his employment, shall be entitled to make withdrawals in accordance with Section 7 of this Law.

(3) The Persons who retire under subsection (2) of this section shall be re-integrated into the Scheme upon securing another employment, subject to guidelines to be issued by the National Pension Commission from time to time.

(4) For the purpose of sub-section (1) of this section, the authentic age of an employee entering the public service or any other employment of the State shall be that submitted by him on entering the service or taking up the employment.

(5) Without prejudice to subsection (1) of this section, any employee who disengages or is disengaged from employment before the age of 50 years and is unable to secure another employment within four (4) months of such disengagement may make withdrawal from his Retirement Savings Account in accordance with the provisions of Section 7(2) and (3) of this Law.

Retirement
benefits.

7. (1) A holder of a Retirement Savings Account, shall upon retirement or attaining the age of 50 years, whichever is later, utilize the amount credited to his Retirement Savings Account for the following benefits –

- (a) withdrawal of a lump sum from the total amount credited to his Retirement Savings Account, provided that the amount left after the lump sum withdrawal shall be sufficient to procure a programmed fund withdrawals or annuity for life in accordance with extant guidelines issued by the Commission, from time to time;
- (b) Programmed monthly or quarterly withdrawals calculated on the basis of an expected life span;
- (c) annuity for life purchased from a Life Insurance Company licensed by the National Insurance Commission with monthly or quarterly payments in line with guidelines jointly issued by the Commission and National Insurance Commission;
- d) professors covered by the University (Miscellaneous Provisions (Amendment) Act, 2012 shall be according to the University Act; or
- e) other categories of employees entitled, by virtue of their terms and conditions of employment, to retire with full retirement benefits shall still apply.

(2) Where an employee voluntarily retires, disengages or is disengaged from employment as provided for under Section 6(2) and (5) of this Law, the employee may with the approval of the Commission, withdraw an amount of money not exceeding 25% of the total amount credited to his Retirement Savings Account, provided that such withdrawals shall only be made after four (4) months of such retirement or cessation of employment and the employee does not secure another employment.

(3) Where an employee has accessed the amount standing in his Retirement Savings Account pursuant to sub-section (2) of this section, such employee shall subsequently access the balance in the retirement savings account in accordance with sub-section (1) of this section.

Death of an
employee

8. (1) Where an employee dies, his entitlements under the Life Insurance Policy maintained under section 4(4) of this Law shall be paid by an underwriter to the named beneficiary in line with section 57 of the Insurance Act.

(2) Upon receipt of a valid will admitted to Probate or a Letter of Administration confirming the beneficiaries under the estate of the deceased employee, the Pension Fund Administrator shall, with the approval of the Commission, release the amount standing in the Retirement Savings Account of the deceased to the personal representative of the deceased or to any other person as may be directed by a Court of competent jurisdiction, in accordance with the terms of the Will or the personal law of the deceased employee, as the case may be.

Missing Employee

9. Notwithstanding anything to the contrary contained in any other Law, where an employee is missing and is not found within a period of one (1) year from the date he was declared missing, and a board of enquiry set up by the relevant Bureau concluded that it is reasonable to presume that he has died, the provisions of Section 8 of this Law shall apply.

Retirement
benefits not
taxable

10. (1) Notwithstanding the provisions of any other Law, contributions to the Scheme under this Law shall form part of tax deductible expenses in the computation of tax payable by an employer or employee under the relevant Income Tax Law.

(2) All interests, dividends, profits, investment and other income accruable to pension funds and assets under this Law shall not be taxable.

(3) Any amount payable as a retirement benefit under this Law shall not be taxable.

(4) Without prejudice to the provisions of sub-section (2) of this section, any income earned on any voluntary contribution made under section 4(6) of this Law shall be subject to tax at the point of withdrawal where the withdrawal is made before the end of 5 years from the date the voluntary contribution was made.

Contribution
To be part of
Tax deductible
expenses

11. Notwithstanding anything under any law, contribution by an employee to the Scheme under this Law shall form part of tax deductible expenses in the computation of tax payable by such employee under the relevant income tax Law.

Retirement
Savings Account
and remittance of
contributions etc.

12. (1) Every Employee shall maintain an account (in this law referred to as Retirement Savings Account), in his name, with any Pension Fund Administrator of his choice.

(2) Any employee that opened a Retirement Savings Account before 01 July, 2021 shall undergo data recapture with his/her PFA for update of personal information in line with the guidelines issued by the Commission.

(3) The employee may, not more than once in a year, transfer the Retirement Savings Account maintained under sub-section (1) of this section from one Pension Fund Administrator to another without adducing any reason for such transfer.

(4) The employee shall notify his employer of the Pension Fund Administrator chosen by him and the identity of the Retirement Savings Account opened in his name under sub-section (1) of this section.

(5) The employer shall –

(a) deduct at source the monthly contribution of the employee; and

(b) not later than 7 working days from the day the employee is paid his salary, remit an amount comprising both the employee's contribution deducted under paragraph (a) of this sub-section and the employer's contribution, to the Pension Fund Custodian specified by the Pension Fund Administrator of the employee.

(c) Notwithstanding the provision of Section 12(5)(a), the State shall execute an Irrevocable Standing Payment Order (ISPO), to mandate the Office of the Accountant General of the Federation to deduct, at source, and remit monthly pension contributions and accrued rights from the State's share of the monthly Federation Allocation Account Committee (FAAC) in the event of any default in remittance of monthly pension contributions and payments towards settling accrued rights of State and Local Government Employees.

(6) Upon receipt of the contributions remitted under sub-section (4) (b) of this section, the Pension Fund Custodian shall notify the Pension Fund Administrator who shall cause to be credited, the Retirement Savings Account of the employee for whom the employer had made the payment.

(7) Where an employee fails to open a Retirement Savings Account within a period of six months after assumption of duty, his employer shall, subject to guidelines issued by the Commission, request

a Pension Fund Administrator to open a nominal retirement savings account for such employee for the remittance of his pension contributions.

(8) An employer who fails to deduct or remit the contributions within the time stipulated under sub-section (4) (b) of this section shall in addition to making the remittance already due, be liable to a penalty to be stipulated by the Commission.

(9) The penalty referred to in sub-section (7) of this section shall not be less than 2 percent of the total contribution that remain unpaid for each month or part of each month the default continues and the amount of the penalty shall be recoverable as a debt owing to the employee's Retirement Savings Account as the case may be.

(10) An employee shall not have access to his Retirement Savings Account or have any dealing with the Pension Fund Custodian with respect to the Retirement Savings Account except through the Pension Fund Administrator.

(11) The Commission shall determine the cost of recovery of unremitted contributions and the sources to defray the cost, which may include the amount recovered as penalty pursuant to sub-section (7) of this section.

(12) Contributions by the State Government or a Local Government to the Pension of employees in its Service shall be a charge on the Consolidated Revenue Fund of the State Government or such Local Government and shall be deductible there from.

(13) The Accountant-General of the State shall, immediately upon the request of the Commission, effect the deductions mentioned in sub-section (10) of this section.

13. Where an employee transfers his service or employment from one employer or organization to another, the same Retirement Savings Account shall continue to be maintained by the employee.

14. (1) As from the commencement date of this Law, the accrued pension right of any employee who is already under any pension scheme existing before the commencement of this Law and has over "....." years to retire shall: -

(a) in the case of State Government employees, be recognized in the form of an amount acknowledged through the issuance of a bond to be known as State Government Retirement Bonds, in favour of the employees and the bond

Transfer from
one employment
to another.

Transfer of
entitlement
from defined
benefits scheme

issued under this sub-section shall be redeemed upon retirement of the employee in accordance with Section 15 of this Law. The amount so redeemed shall be added to the Retirement Savings Accounts of the employee and applied in accordance with the provisions of Section 7 of this Law; or

- (b) in the case of Local Government employees, be recognized in the form of an amount acknowledged through the issuance of a bond to be known as Local Government Retirement Bonds, in favour of the employees and the bond issued under this sub-section shall be redeemed upon retirement of the employee in accordance with Section 15 of this Law and the amount so redeemed shall be added to the Retirement Savings Account of the employee and applied in accordance with the provisions of Section 7 of this Law.

Retirement
benefits bond
Redemption
Fund.

15. (1) There shall be opened in the Central Bank of Nigeria or a Pension Fund Administrator, an account for the management and investment of funds to be known as the Retirement Benefits Bond Redemption Fund (in this Law referred to as “the Redemption Fund”) in respect of the Public Service of the State and the Public Service of the Local Government Councils.

(2) The State Government and each Local Government in the State shall pay into the Redemption Fund an amount not less than 5 percent (5%) of the total monthly wage bill payable to employees in the service of the State government and such Local Government.

(3) The Central Bank of Nigeria or Pension Fund Administrator shall invest and manage the Fund under the joint supervision of the State Government and the Commission.

(4) The amount in the redemption Fund shall be used by the Central Bank of Nigeria or Pension Fund Administrator to redeem any retirement benefit bonds issued pursuant to Section 15 of this Law.

(5) The Commission shall, upon the failure of the State Government or Local Government to redeem any bond issued within one month of its due date, demand such redemption in writing from the State Government or such Local Government.

(6) Upon the failure of the State Government or a Local Government to redeem the bond within one month of the receipt of the Commission’s demand, the Commission shall issue a request to the

Accountant General of the Federation who shall thereafter deduct directly from the State or Local Government allocation from the Federation Account, the value of the bond and credit either the Redemption Fund Account with the Central Bank of Nigeria or the Retirement Savings Account maintained by the affected employee with his Pension Fund Administrator.

(7) Payments into the Redemption Fund shall cease after all Retirement Benefit Bonds issued under Section 15 of this Law have been redeemed.

Pension
Protection
Fund

16. (1) The State shall create a Pension Protection Fund with either the Central Bank of Nigeria (CBN) or Pension Fund Administrator (PFA) and set aside a minimum of 1% of the total monthly wage bill of State employees in the account towards funding of the Minimum Pension Guarantee (MPG) for employees covered under the Scheme

(2) Pursuant to Section 16 (1) above, the State shall set an amount as the Guaranteed Minimum Pension and utilize the funds for payment to eligible pensioners with inadequate RSA balances.

Establishment
of Pension
Bureaux

17. (1) There is hereby established for the Public Service of the State, a Bureau for the State Service and Local Government Service, to be known respectively as Bureau of State Government and Bureau of Local Government Pension (in This Law referred to as ‘the Bureaux’), both to be located in the Office of the Governor.

(2) The Bureaux shall operate under the rules, regulations and directives made by the Commission from time to time.

(3) The Bureaux shall operate with the following Departments in the minimum:

- a) Contributory Pensions Scheme Department;
- b) Information and Communication Technology Department;
- c) Defined Benefit Scheme Department;
- d) Finance and Accounts Department
- e) Administration and Personnel
- f) Internal Audit

(4) The Bureaux shall render on a monthly basis, returns of comprehensive list of pensionable staff, existing pensioners, deceased pensioners and their next of kins, payment of pensions and death benefits to the Commission”.

(5) The Bureaux shall in addition to 17(4), render on a monthly basis, returns on the remittances of pension contributions, list of regularized Retirement Savings Accounts, administration fees received from PFAs and utilization of Administration fees to the Commission.

Composition
of the
Bureaux etc

18.

(1) Each Bureau shall be headed by a Director General who shall:

a) be the Chief Executive Officer responsible for the day-to-day operations of the Bureau;

b) a person who shall possess professional skills with not less than ten years cognate experience in fields relating to Pensions, Insurance, Actuarial Science or other related field.

(2) Each Bureau shall have a Governing Board consisting of:

(a) In the case of the Bureau of State Pensions:-

- i) a part-time Chairman who shall be a fit and proper person with adequate cognate experience in pension matters, finance or insurance;
- ii) the Director General of the Bureau;
- iii) a representative of the State Civil Service Commission not below the rank of a Director;
- iv) a representative of the State Ministry of Finance not below the rank of a Director;
- v) a representative of the Trade Union side of the Joint Public Service Negotiating Council (to be appointed on rotational basis of two years each from within the various constituent units of the Trade Union side);
- vi) a representative of the State Chapter of Nigeria Labour Congress;
- vii) A representative of the Nigerian Union of Pensioners, XXXX State Chapter;
- viii) A representative of the State Head of Service not below the rank of a Director;
- ix) A representative of the Nigerian Union of Teachers (*Post-Primary*);
- x) A representative of the Teaching Service Commission not below the rank of a Director; and
- xi) A representative of the State Auditor-General not below the rank of a Director.

(b) In the case of the *Bureau of Local Government Pensions*:-

- i) a part-time Chairman who shall be a fit and proper person with adequate cognate experience in pension matters;
- ii) the Director General of the Bureau;
- iii) an officer not below the rank of a Director from the Local Government Service Commission;
- iv) an officer not below the rank of a Director from the Bureau of Local Government Affairs;
- v) a representative of the Nigerian Union of Teachers (Primary);
- vi) a representative of the State Chapter of the National Union of Local Government Employees;
- vii) a representative of the State Ministry of Finance not below the rank of a Director;
- viii) a representative of the Nigerian Union of Pensioners, XXXX State Chapter;
- ix) a representative of the State Primary Education Board not below the rank of a Director; and
- x) a representative of the Auditor-General for the Local Governments not below the rank of a Director.

(3) The principal objective of the Governing Board shall be to supervise and ensure the effective administration of the Contributory Pension Scheme by the Pension Bureaux.

(4) Each Governing Board shall meet at least, once every quarter.

Functions
of the
Bureaux

19. The Bureaux of State Pensions and Local Government Pensions shall respectively carry out the functions of the defunct State Pension Department and the Local Government Pensions Board, and shall in particular-

- (a) make budgetary estimates for existing pensioners and officers exempted from this Scheme under Section 5 of this Law;
- (b) receive budgetary allocations from the Government and make payments to the pensioners as and when due;
- (c) ascertain deficit in pension payments, if any, to the existing pensioners or the categories of officers exempted under Section 5 of this Law and carry out such other functions aimed at ensuring the welfare of pensioners as the Government or the Commission may from time to time, direct;

- (d) pay gratuity and pension to the existing pensioners and the category of officers exempted under section 5 of this Law, in accordance with the relevant and applicable computations under the existing Pay-As-You-Go Pension Scheme of the State Public Service;
- (e) establish and maintain a database of all Pensioners and contributors under the Contributory Pension Scheme;
- (f) receive and review complaints on the Contributory Pension Scheme from the public with a view to passing them on to the Commission, where necessary for appropriate action; and
- (g) Monitor compliance levels and appraise the effectiveness of the operations of the Contributory Pension Scheme within the State, with a view to making suggestion for improvement to the Commission.

Duties of
the
Bureaux

20. Each Bureau shall:-

- (a) ensure that its business is at all times managed or held in accordance with the provisions of the Law, any regulation or guidelines made thereunder and any directions given by the Commission.
- (b) take reasonable care to ensure that the management or safe keeping of the pension funds is carried out in the best interest of the employees.
- (c) report to the Commission as soon as reasonably practicable, any unusual occurrence with respect to the pension funds which in its view could adversely affect the rights of the employee under the Scheme.
- (d) report to the Commission as soon as reasonably practicable, if the employer is in default of remittance of any contributions and such remittance remains due for a period of more than 14 days.

Funds and assets,
existing pension
Offices etc.

21. As from the commencement of this Law, the responsibilities, funds, assets or liabilities of all existing Pension Offices in Public Service of the State shall be vested in the Bureaux as provided under this Law.

22. (1) The Commission shall regulate and supervise the activities of the Bureaux to ensure full implementation of the Contributory Pension Scheme in line with this Law, the provisions of the Act and other Regulations and Guidelines issued by the Commission.

(2) The Commission may, at the request of the Bureaux, render technical support and advice on the management of Pension matters.

23. Where an officer exempted under Section 5 of this Law dies in service or in the course of duty, the relevant Bureau shall pay, en-bloc to his next-of-kin or designated survivors, gratuity and pension to which the officer would have been entitled at the date of his death calculated in accordance with section 19(d) of this law.

24. Where an officer exempted under Section 5 of this law is retired by his employer as result of mental or physical incapacity, the officer shall be paid gratuity and Pension in accordance with section 19(d) of this law.

25. (1) Each Bureau shall cause to be kept proper books of accounts and records showing its income, expenditure, assets, investments made, returns on investments made and the contributions of employees in its respective Service as the case may be.

(2) Each Bureau shall, not later than four months from the end of the financial year, cause its accounts to be audited by qualified external auditors.

(3) Each Bureau shall submit its audited financial accounts to the Commission and the State Government not later than 120 days from the end of the financial year.

Commission
to supervise
Bureaux.

22. (1) The Commission shall regulate and supervise the activities of the Bureaux in order to ensure full implementation of the Contributory Pension Scheme in line with this Law, the provisions of the Act and other Regulations and Guidelines issued by the Commission.

(2) The Commission may, at the request of the Bureaux, render technical support and advice on the management of Pension matters.

Death of exempt officer in service etc.	23. Where an officer exempted under Section 5 of this Law dies in service or in the course of duty, the relevant Bureau shall pay, en-bloc to his next-of-kin or designated survivors, gratuity and pension to which the officer would have been entitled at the date of his death calculated in accordance with section 19(d) of this law.
Retirement of exempt officer.	24. Where an officer exempted under Section 5 of this law is retired by his employer as result of mental or physical incapacity, the officer shall be paid gratuity and Pension in accordance with section 19(d) of this law.
Books of accounts to be kept and audited.	25. (1) Each Bureau shall cause to be kept proper books of accounts and records showing its income, expenditure, assets, investments made, returns on investments made and the contributions of employees in its respective Service as the case may be. (2) Each Bureau shall, not later than four months from the end of the financial year, cause its accounts to be audited by qualified external auditors. (3) Each Bureau shall submit its audited financial accounts to the Commission and the State Government not later than 120 days from the end of the financial year.
Annual Report	26. Each Bureau shall, not later than four months from the end of the financial year, submit to the Commission and the State Government, an annual report in respect of the immediate preceding year on the pension funds being managed by it and such report shall include the audited accounts. 27. (1) Any external auditor appointed by the Bureaux under Section 24 of this Law shall have responsibility to the Commission for the protection of pension funds and shall, in the discharge of its duties to the Bureaux, report any of the following situations to the Commission, that is: - (a) any evidence that there has been significant lapses in then accounting and other records or the internal control systems of the Bureaux; (b) any evidence that the Bureaux have reported financial information to the Commission which is misleading in material particulars;

- (c) where it believes that a fraud or other misappropriation has been committed by the management of the Bureaux or has evidence of an attempt by management to commit such fraud or misappropriation; or
- (d) where there has been an event or occurrence which affects or is likely to affect the auditor confidence in the competence of the management to conduct the affairs of the Bureaux in a prudent or safe and sound manner.

(2) Nothing in this section shall be construed to be a breach of the duty of the auditor to the Bureaux by reason only of its communicating in good faith to the Commission, whether or not in response to a request made by the Commission for any information or opinion on any matter or situation to which this section applies.

Duties of External Auditors

27. (1) Any external auditor appointed by the Bureaux under Section 24 of this Law shall have responsibility to the Commission for the protection of pension funds and shall, in the discharge of its duties to the Bureaux, report any of the following situations to the Commission, that is: -

- (a) any evidence that there has been significant lapses in then accounting and other records or the internal control systems of the Bureaux;
- (b) any evidence that the Bureaux have reported financial information to the Commission which is misleading in material particulars;
- (c) where it believes that a fraud or other misappropriation has been committed by the management of the Bureaux or has evidence of an attempt by management to commit such fraud or misappropriation; or
- (d) where there has been an event or occurrence which affects or is likely to affect the auditor confidence in the competence of the management to conduct the affairs of the Bureaux in a prudent or safe and sound manner.

(2) Nothing in this section shall be construed to be a breach of the duty of the auditor to the Bureaux by reason only of its communicating in good faith to the Commission, whether or not in response to a request made by the Commission for any information or opinion on any matter or situation to which this section applies.

(3) Any auditor who acts in contravention of or fails deliberately or negligently to comply with any of the provisions of sub-section (1) of this section commits an offence and is liable on conviction to a fine not less than N 10,000,000 for the firm or to a term of not less than 3 years imprisonment for the responsible partner or principal officer or to both such fine and imprisonment.

28. Any person who contravenes any provision of this Law in respect of which no specific penalty is prescribed under this Law, commits an offence and shall be liable upon conviction to a fine of N 250,000.00 or to imprisonment for a term of one year or to both such fine and imprisonment.

29. Where an offence under the provision of this Law is committed by a body corporate, the body corporate and every director or officer who had knowledge or should have had knowledge of the commission of the offence and who did not exercise due diligence to ensure compliance with this law commits an offence and shall be proceeded against in accordance with this law.

30. (1) Any Board of Trustees established under any enactment in the state is hereby dissolved and all pension funds or assets being held by such Board of Trustees before the commencement of this Law shall be transferred to the relevant Bureau.

(2) The dissolution of any Board specified in sub-section (1) of this section shall not affect any additional fringe benefits other than pension and gratuity, enjoyable upon retirement by any person before the commencement of this Law except as provided by this law.

31. If any other law relating to pensions in the State is inconsistent with this Law, this Law and that of the Act, the provisions of the Act shall prevail to the extent of the inconsistency.

	32. The Pension Law, Cap. 90, Laws of XXXX state, 1978, is hereby repealed.
General penalty	28. Any person who contravenes any provision of this Law in respect of which no specific penalty is prescribed under this Law, commits an offence and shall be liable upon conviction to a fine of N 250,000.00 or to imprisonment for a term of one year or to both such fine and imprisonment.
Offence by body corporate	29. Where an offence under the provision of this Law is committed by a body corporate, the body corporate and every director or officer who had knowledge or should have had knowledge of the commission of the offence and who did not exercise due diligence to ensure compliance with this law commits an offence and shall be proceeded against in accordance with this law.
Dissolution of Board of Trustees etc	30. (1) Any Board of Trustees established under any enactment in the state is hereby dissolved and all pension funds or assets being held by such Board of Trustees before the commencement of this Law shall be transferred to the relevant Bureau. (2) The dissolution of any Board specified in subsection (1) of this section shall not affect any additional fringe benefits other than pension and gratuity, enjoyable upon retirement by any person before the commencement of this Law except as provided by this law.
Inconsistency of Laws.	31. If any other law relating to pensions in the State is inconsistent with this Law, this Law and that of the Act, the provisions of the Act shall prevail to the extent of the inconsistency.
Repeal of Cap. 90 of 1978.	32. The Pension Law, Cap. 90, Laws of XXXX state, 1978, is hereby repealed.