PERFORMANCE ASSESSMENT OF THE DEFINED CONTRIBUTORY PENSION SCHEME: A STUDY OF FEDERAL GOVERNMENT EMPLOYEES IN SOKOTO STATE

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Abstract:

The Defined Contributory Pension Scheme also known as the New Contributory Pension Scheme was introduced in 2004 mainly to bring succor to employees in both the public and private sectors access to their pension benefits with ease. Unlike what obtains in the previous pension plans associated with severing consequence of failure necessitated the birth of the Defined Contributory Pension in Nigeria. Yet the plan did not go unnoticed with complaints such as employees opening retirement savings account (RSA) or the temporary retirement savings account (TRSA), awareness of interest or commission accruable to pension assets, notification of pension monthly contribution as and when due as well as the accessibility to pension assets. These are the problems the study seeks to find answers to. The study major objective through the stated instrumentality was to find out the level of the policy effectiveness. The study used primary data generated from Federal government employees and retirees in Sokoto state through the administration of a closed ended structured questionnaire. ANOVA and Spearman Correlation were used to test the hypotheses with the aid of Stata and SPSS. The study found that there is no significant difference between the opinions of serving employees and retirees in terms of opening of Retirement Savings Account or Temporary Retirement Savings Account, that there is a significant relationship between employees and retirees in the Ministries, Departments and Agencies in terms of awareness of interest or commission accruable to pension assets, that serving employees and retirees in the Ministries, Departments and Agencies have difference in opinion in terms of receipt of notification of pension monthly contributions and remittances as and when due, and that there was a significant difference between serving employees and retirees in terms of accessibility of pension benefits after retirement. On the basis of the foregoing findings, the major conclusion drawn from this study is that the defined contributory pension scheme has performed credibly since its inception and that when adequately allowed functioning will be effective to achieve the essence for which it is enacted.

Keywords: *Performance Assessment, Contributory Pension Scheme, Federal Government Employees*

INTRODUCTION

The defined contributory pension otherwise referred to as the New Contributory Pension as opined in the Pension Reform Act, 2014 (Repealed) had its origin as a result of many deficiencies found in the defined benefit system also referred to as Pay as You Go. This system collapsed after the emergence of the Pension Reform Act 2004 in Nigeria, and this is largely attributed to the failure of Pensioners not securing benefits as and when due or non-payment of pension at all for a very long period of time, inconsistencies in the payment of retirement benefits, corruption and embezzlement and many more. These and many other reasons was what this study intends to find out as to whether the new pension act actually resolved or otherwise.

Consequently, the defined contributory pension can only be accessed by the contributors who the law stipulates should form part of the scheme as at the time it was introduced. A beneficiary of this law must be a serving employee in the public or private sector that must open a retirement savings account through the pension funds administrators (PFA's) or the temporary retirement savings account to enable review performance(s). To also find out whether PFA's disclosed to employees what should accrue to their pension assets at the end of the year, and whether he or she receives constant notification of pension monthly benefits from employee through the PFA's or otherwise and whether retirees access their benefits with ease after retirement.

These are the basis for which this paper rigmaroles to determine whether the essence for which the policy framework performs or not. It is also the problems that the study hinges upon as the study variables and the objectives are;

Objectives of the Study

The general objective for the study is to assess the performance of the new contributory pension scheme referred to as the Defined Contributory Pension (DCP). These and other related questions are what the study sets to investigates

Specific objectives include:

i. To examine whether there is a difference between the opinion of serving employees and retirees in Federal Government Organizations (Ministries, Departments and Agencies) (MDA's) in the opening of the retirement savings account (RSA) or temporary retirement savings account (TRSA).

ii. To determine if serving employees and retirees in the MDA's have any differences in-terms of awareness of interest and commissions accruable to pension assets.

iii. To ascertain if serving employees and retirees in the MDA's have any differences in opinion in-terms of receipt of notification of pension monthly contributions and remittances as and when due.

iv. To ascertain if serving employees and retirees in the MDA's have differences in perception in-terms of the delay in accessing pension benefits after retirement

Research Hypotheses

Based on the research objectives, the study develops the following hypothetical statements to guide it.

i. There is no significant difference between the opinion of serving employees and retirees in the MDA's in terms of opening temporary retirement savings account (TRSA) or the retirement savings account (RSA).

ii. There is no significant difference between serving employees and retirees in the MDA's in-terms awareness of interest or commission accruable to pension assets.

iii. Serving employees and retirees in the MDA's have differences in opinion in-terms of receipt of notifications of pension monthly contributions and remittances as and when due.

iv. There is no significant difference of opinion between serving employees and the retirees' in-terms of delay in accessing pension benefits after retirement.

LITERATURE REVIEW

Literature and the Shift towards the Defined Contribution Plan

An analysis of the role of unions, firm size, and industry composition in the shift from defined benefits (DB) to defined contribution (DC) plans was done by Gustman and Steinmeier (1989). Using repeated cross-sections of pension plan data from the Federal Form 5500 series, they found that employees in primary plans defined benefit plans as a percentage of all employees in primary pension plans declined from 89.7 in 1977 to 79.3 in 1985. The use of constant weights across the period by union status, firm size, and industry produce a decline only half this large, implying that no more than half of the decline took place within firms of given union, size and industry characteristics.

Another study by Clark & Mc Dermed (1990), analyzed the issue using several data sources: the 1979 and 1983 Current Population Survey (CPS) supplements on pension coverage, the 1983 Survey of Consumer Finance and the 1977 and 1985 Form 550 data on large plans matched to industry mean values from the CPS. Using probes on DB coverage with the individual level data, they conclude that demographic, employer size, and broad industry and occupation variables explain substantially none of the coverage decline between 1979 and 1983. Using the fire-level data, they conclude that only 3.1 of the 15 percentage point's decline of the proportion of DB coverage (among primary pension plans with 100+ participants) can be explained by changes in the size distribution of firms and industrial composition. They also cast suspicion on the idea that increased levels of financial market, labor marker, and inflationary risks have propelled the move toward Dc plans, and conclude that "Pension regulation appears to be largely responsible for the greater use of defined contribution plans.

The findings of Gustaman and Steinmeier, and Clark and McDermed, were re-examined by Ippolito (1985). Excluding multiemployer plans, and including new union codes. Ippolito found in contrast to Custman and Steinmeier that virtually all of the losses of DB market share from 1979-87 was due to employment shifts. Among smaller plans (100-1000 participants), there was a shift toward DC plans (perhaps due to increased regulatory costs), but among larger plans (1000+) there was a small drift toward DB plans, leading to no net aggregate change in DB market share. He notes that the result for smaller plans (100-1000) is consistent with Clark and McDermed, who do not weight their plans by size and therefore give emphasis to the more numerous small plans. He also notes the growth of 401 (K) plans over this period, concluding that it came at the expense of both DB plan and other DC plan. Other studies at the firm of plan level have examined the factors behind DB terminations (without directly examining the overall shift toward DC plans). Peterson's (1989) results are consistent with Schmitt (1993) and Hamdalah & Ruland (1986) in finding that financial factors play a strong role in the decision to terminate overfunded DB plans (specifically, firms capital, are more likely to terminate overfunded plans to claim the excess assets). He also finds some support for the theory that firms are affecting a transfer from workers to firms by breaking the "implicit contract" which pension plans may represent.

Both the implicit contract view and the view that DB terminations are part of the efficient restructuring of a firm are tested by Ippolito and James (1986) using data on leveraged buyouts. They find that, however, neither the view of the motivations for DB terminations is dominant in the results of their analysis, nor enough to undermine the transfer view of the DB plan Mitchell & Emily (1981), Ippolito (1986) & Freeman, (1985).

In the study of Adejoh (2013), whose focus was on the assessment of the impact of Contributory Pension Scheme to Nigerian Economic Development with relevance to Pension Fund Managers, sets his objective of the study basically to examine how contributory pension scheme influence the Gross Domestic Product (GDP) in Nigeria. More so, the study was aimed at suggesting the best reliable way for tackling or handling the fear that the funds of Retiree Savings Account (RSA) contribution can be mismanaged by the existing trustees. The main problem of the study was centered on the nature and effect of risk prevailing in the pension assets management. The study was designed using survey design; the sample size was taken as 30 and 70 for both staff and customers respectively. Data were collected from both primary and secondary sources and analyzed using percentage. The study adopted correlation of analysis for testing secondary data and ANOVA for the primary data. The result of correlation analysis using t-test revealed that Contributory Pension Scheme (CPS) has significant impact on the GDP while the result of ANOVA revealed that risk prevalent has positive effect on the pension fund management. The study therefore, recommends that the Pension Fund Administrators should invest in less risky portfolio to enhance prompt payment of pension to retirees.

However, Dagauda & Adeyinka (2013) in their study examined the impact of the new pension policy and how it improves the living standard of the retired and serving civil servants in Nigeria. In the accomplishment of the study, data were collected through questionnaire using random sampling technique on one thousand five hundred respondents from five federal ministries in Abuja. The analysis was carried out using simple percentage. From the analysis, findings emerged which clearly indicates that the implementation of the new pension significantly improves the welfare of the civil servants but does not address the problem of corruption and inadequate budgetary allocation and therefore not effective in overcoming the problems of retirees in Nigeria. In view of the findings, the study recommended among others that government and Pension Commission must strengthen monitoring and supervision unit of the commission to ensure effective monitoring, supervision and enforcement; and effective implementation of penalties as provided by the Act on non-compliers regardless of their status in the society.

Also, Ojonugwa, Isaiah & Longinus (2013) examined the extent of compliance of employer of labour in funding the Retirement Savings Account (RSA) of their employees as a requirement of the new contributory pension scheme in Nigeria. Key problems facing pension scheme in Nigeria were identified. The study employed Secondary data obtained from official publications, national dailies, documentations and internet materials. Chi square method of analysis was used to analyze data. The analysis confirmed that regular upward reviews of pensions and gratuities in the country without appropriate strategies for financing the scheme has become a major problem, which calls for immediate attention in order to alleviate the suffering and hardship of retirees in the country (Nigeria). The study recommends that the Nigerian government should encourage the option of having the banks where the salary accounts of employees are domiciled to make pension deductions on monthly basis possible and have it remitted to the Pension Fund Administrators. The need for public enlightenment on the merit of the new contributory pension scheme, the 2004 Pension Reform Act is key to enable Nigerians in Diaspora who may want to contribute to the retirement saving scheme to do so and the government should punish those who steal pensioners' funds to serve as deterrent to others. This study concludes that a well-organized structure that will ensure prompt payment of retirees and pensioners is highly desirable and must be vigorously pursued by the government (Nigeria).

Gunu & Tsado (2012) examines that, Contributory Pension System (CPS) was introduced in Nigeria in July, 2004 to replace the old Defined Benefit (Pay-As-You-Go) system. The silent idea behind the introduction of the new pension system is to serve as a tool towards realization of the goal of savings mobilization, which can lead to Capital Market development, thereby fostering economic growth in Nigeria. The objective of the study was to examine whether the introduction of CPS has enhanced mobilizing of savings for the Development of Nigerian Capital Market and stimulation of economic growth. Similarly, secondary data were also used for the study. Data were collected from the Annual Reports of National Pension Commission (PENCOM). The data collected were analyzed using descriptive statistics, percentage and charts. The study reveals that Pension Funds' investments in domestic quoted equities amounted to ₦240.38 billion (2.36% of total market capitalization) in 2007, 3.71% in 2008, 4.42% in 2009 and 4.53% in 2010, also the value of total Pension Fund Assets stood at ₦2,029 billion as at 2010. The study concludes that CPS has begun to contribute to the increase in growth and development of not only the Nigerian Capital Market but the economy in general. The study also recommends that PENCOM should encourage employers/employees in the informal sector, nongovernmental organizations and self-employed individuals to participate in the CPS in order to enhance mobilization of more savings.

Inyokwe (2013) in his study of 'Corporate Governance and Pension Management in Nigeria' asserts that beginning from the 1980s, the public sector in Nigeria was faced with ethical crisis. There were severe economic problems resulting from poor performance of public institutions, poor social services delivery, dwindling cash base and financial sustainability crisis orchestrated by bureaucratic corruption. In the pension subsector, huge pension liability, lack of transparency and accountability and the absence of regulatory and supervisory framework were the characteristic phenomenon. The result was institutional failure and the consequent alienation and the dehumanization of pensioners whose post retirement life became associated with socio-economic slavery. In 2004, the Nigerian government took significant step to transform the pension industry into a viable industry with guaranteed social returns for pensioners via the Pension Reform Act 2004. New regime of pension fund managers was licensed to operate within the regulatory framework provided by the National Pension Commission. In its analysis, the study appreciates the significant achievement recorded in the pension industry with the introduction of Pension Reform Act 2004 which set ethical standard for the management of the pension scheme and integrated the private sector in the management of pension funds. The study in its analysis acknowledged the efficient result achieved so far and called for the strict enforcement of regulatory provisions in the pension industry and civil society activism to strengthen the culture of financial accountability and the sector's performance in alleviating old age poverty among retirees.

To Adeoti, Gunu & Tsado (2012) they conclude that Pension Fund is a pool of resources contributed by the employees with the aim of having enough resources to carter for their needs after retirement. Therefore, pension fund need to be invested so as to meet the aim of the contributors. This study was carried out to evaluate the factors that determine investment of pension Funds. The study used primary data generated by the questionnaire. Respondents were selected from a sample of five Pension Fund Administrators in Nigeria using simple random sampling technique. A total of 125 questionnaires were administered on 18 items using Likert scales. Data collected were analyzed using factor analysis by principal component. Economic, risk and security of real estate factors were identified as major determinants of pension fund investment. The study concludes that variables such as interest rate, internal control system etc, are not critical in determining investment of pension funds in Nigeria. The study also recommends that pension fund managers should develop good systems of mitigating on the enormous risks they face in their duty as investment managers.

Darlington (2014) in his study of 'Effect of Contributory Pension Scheme on Capital Market in Nigeria' asserts that, the time series data used in his study were for a period of seven years (2006-2012). To capture the objective of the study, Pairwise Correlation model to determine the significance of the relationship between the Pension Asset under Management and Market capitalization was employed, and Local Ordinary Share (LOS) of the Contributory Pension Scheme and Market Capitalization in Nigeria. The Coefficient of Determination (R^2) was used to determine the actual effect of Pension Asset under Management (AUM) on Market Capitalization (MC). It was also used to determine the Local Ordinary Share (LOS) of the contributory pension scheme on market capitalization in Nigeria. The Econometric result also evidenced that LOS of the Contributory Pension Scheme had no significant effect on MC as majority of the pension fund asset is held by Federal Government as bond. The insignificance effect of AUM on MC could also be as a result of economic meltdown that strikes the Nigeria economy between the periods of 2008 to 2010. From the result of the analysis, it was discovered that Contributory Pension Scheme has no significant impact on the capital market in Nigeria. It was established that the pool of funds accumulated by the Contributory Pension Scheme were invested and spread among different assets, but it had no significant effect on the growth of the Nigeria Capital Market during the period under review. Therefore, Darlington (2014) recommended that National Pension Commission should ensure that there is effective liberalization of the pension fund investment to encourage more investment in the Nigeria Capital Market since there is a positive relationship between Contributory Pension Scheme and Capital Market in Nigeria.

Fapohunda (2013) argued that over the years the management of pension scheme in Nigeria has been inundated by multiple and diverse problems arising from which retirement became dreaded by workers especially in the public service. To Fapohunda (2013) the failures of pension schemes in the country have been attributed to poor pension fund administration, outright corruption, and embezzlement of pension fund, inadequate build-up of funds and poor supervision. The author further asserts that there have been several reviews of pension schemes by the federal government which have also caused implementation problems. In 2004, Nigeria established a funded system based upon personal accounts. In the same study, he examines the features, prospects and challenges of pension management in Nigeria as an important aspect of retirement planning almost a decade after the commencement of the new reforms. The study gives an overview of the scheme and identified key problems facing pension scheme in Nigeria and proffers solution. Data were obtained from official publications, documentations, paper clippings and internet services. The study concludes that there is no much evidence to show that the pension scheme is leading Nigeria in the desired direction. Although, numerous scandals have trailed the pension scheme, and a lot still needs to be done with regard to the effective management of the pension scheme. The importance of pension provision will continue to grow as individuals begin to place less reliance on family to look after them in old age and begin to face the reality that they need to look after themselves. The success of the pension reforms largely depends on the sincerity, collaboration and commitment of all stake holders.

Ajiboye (2011), asserts that over the past three decades, the living conditions of older persons in Nigeria had deteriorated due to the erosions of their economic power, changes in the family structures and roles, particularly on the care of older members of the immediate family and unsustainability of the pension schemes and inability of government to fulfill her expected role in the care and support of older persons in the country. Worldwide older persons are regarded as vulnerable group, hence, it has been accepted that older persons, the children and women are in dare need of government attention. This is because poverty ravages this class of people than any other categories in contemporary world especially in developing countries. Various efforts by various successive regime in the country at addressing the needs of older members of the society have proved abortive. The pensions of public servants in Nigeria that are supposed to serve as means of sustenance in their old-age were poorly handled by Nigerian government and its corrupt officials. However, the emergence of full-fledged democracy on May 29, 1999 rekindled the hope of older persons as government introduced in 2004 new Pension Policy. Theoretically, the study takes a critical look at the 2004 pension policy of the government on the wellbeing of Nigerian retirees. It uses Marxist theory to analyze the issue. The study concludes that an evaluation of the scheme revealed that the Policy may not be able to achieve its targeted objective to large extent.

However, Aigbepue & Ojeifo (2014) highlighted the main problems that have bedeviled the former pension scheme which include unfunded and inadequate budget allocation for pension, huge outstanding pension liabilities estimated at over ₦1 trillion in the public sector, pensioner not based on defined benefits, the existence of multiple pensions scheme and fraudulent activities of government officials which resulted in the delay in payment, short payments or outright nonpayment of pension and gratuities to retirees. These sad developments coupled with the revolutionary changes in the management of pension schemes blowing across the globe necessitated Nigeria's government decision to introduce pension reforms which is backed by the Pension Reform Act 2004. The Act spelt out in fine details the modus operand of the new pension scheme which is contributory in nature. The study identified the roles and responsibilities of all stakeholders in the new scheme and emphasized the need for ethics, transparency and accountability in the management of pension funds. It concludes by identifying the challenges of the new scheme and proffered suggestions that could improve the operation of the scheme bearing in mind the overriding issues of ethics, transparency and accountability.

Similarly, Bernard (2014) study of 'Pension fund: a veritable source of financing real estate development in Nigeria' concludes that pension funds control relatively large amounts of capital and represents the largest institutional investors in many nations. Financing real estate on the other hand required a huge capital outlay. The study examined the viability of pension funds as an investment option in real estate development. It is empirical in approach and it adopted a survey research design. A convenient random sampling technique was used to gather data from a sample of 42 respondents comprising of 18 pension administrators and 24 Real Estate Developers and Investors. A structured questionnaire was used as the instrument for data collection and a simple descriptive statistical method was used for presentation and analysis of data. The results however reveal that both the pension administrators and the real estate developers agreed with the pension funds if well channel is a veritable means for financing real estate projects. We therefore recommend amongst others that the government as a matter of urgency should slack their policy to increase the percentage of the funds for real estate development and to also advance a policy with strict guideline empowering the pension fund managers to directly grant credit to developers and real estate investors who are able to meet and comply with the conditions provided in such policy. Real estate brokers and experts should be drafted into the pension scheme to give professional advice on the viability and feasibility of any proposed real estate development.

Elekwa, Inya & Sam (2011) in their study of Implications of The Pension Reform for Social Security Planning in The Local Government' assert that, pension systems were introduced into the country by the colonial administrators. The first legislative document on pension in Nigeria was the 1951 Pension Ordinance. Equally, the last legislation on pension matters in the country is the Pension Reform Act 2004, which established a Contributory Pension Scheme and unified the administration and management of pension for both the Public and Private Sectors. It established for the first time, a single regular to oversee both public and private pension schemes in the country. The contributory pension scheme addresses the pension liability by stemming its further growth and provides a platform for addressing this liability. The scheme is contributory in the sense that both the employee and the employer contribute toward the retirement benefit of the employee. The study however to examined and analyze the implications of the Pension Reform Act 2004. It equally tries to analyze the implications of the Pension Reform Act (PRA) and its contributions towards the retirement social benefits of employees both in the Public and Private sector.

According to Bayero (2010), the dysfunction of the defined-benefit pension plan compelled the Federal Government of Nigeria to embark on reforming the system, which resulted in the introduction of contributory pension scheme in 2004. The viability of the new pension scheme is potentially undermined by: inadequate contribution density, lack of financial literacy, lack of trust in PFAs, unviable insurance companies, absence of highly developed capital market, absence of inflation protection measure, and potential for default by pension administration institutions. The study empirically assessed the viability of the contributory pension scheme in Nigeria. Stratified sampling technique was used arriving at the sample for the study in which twenty four federal organizations in the Northwestern states of Nigeria were sampled and grouped into four broad categories: federal ministries, federal educational institutions, teaching hospitals and army battalions. Data was generated from questionnaires and interviews. Also, secondary sources provided data which helped in the analysis. Consequently, the study employed the chi square to test the hypotheses of the study, t-test was also used in testing other batch of hypotheses of the study. Based on the application of the above statistical techniques, the study concludes that low contribution density, lack of financial literacy, suspicion of pension fund administrators and insurance companies, and lack of mechanism of coping with bankruptcy of pension administration institutions will largely undermine the viability of contributory pension scheme. To guard against these, the study recommends that: contributions of employees and employers must be enhanced, sensitization and enlightenment should be intensified to make the society more informed about the scheme; confidence building measures need to be put in place to make contributors trust the pension administration institutions and pension benefit guarantee scheme be establish to protect pension benefits against risks.

METHODOLOGY

A survey design was adopted to examine the differences and relationship between the pay as you go system and the defined contributory pension. Multi-stage sampling was used i.e. purposive, stratified and random for the study. With this approach, thus, the study examines the **differences** and relationships between the contributory pension scheme (a dependent variable) and the independent variables (performance) proxied by whether payment are made directly into the pensioners accounts in line with the federal government policy or there is a delay in payment of pension benefits, non-disclosure of interest and commissions accruable to pension assets, whether employers delay or fail to deduct and remit pension contributions of their employee within the stipulated time, and whether employers opens a temporary retirement savings account on behalf of an employee that fail to open retirement savings account within three months of assumption of duty. The study used both primary data to elicit information from both serving and retired employees of the federal ministries departments and agencies (MDA's) in Sokoto, Nigeria.

The study relied on the inferential statistics. Specifically, application of analysis of variance (ANOVA) via questionnaire schedule to analyze the bio-data and to assist assesses the performance of the defined contributory pension scheme in Nigeria across MDA's. This is because retirement largely deals with the age, duration, and levels of years spent by an employee or retiree in the service.

ANOVA and Spearman Correlation was used in comparing observed frequencies with some expected frequencies in order to determine the **differences** that exist between frequencies which can warrant rejection or acceptance of null hypotheses. The reason for the adoption of ANOVA was because the research is on the performance assessment of the defined contributory pension scheme and that the samples are more than 30. STATA version 11.0 Software and SPSS 21.0 was used in the facilitating testing of hypotheses.

Test of Hypotheses

This section tests the four hypothetical statements presented in section one.

Test of Hypothesis One

H_o: There is no significant difference between the opinion of serving employees and retirees in terms of opening of Retirement Savings Account (RSA) or the Temporary Retirement Savings Account.

H_1: There is significant difference between the opinion of serving employees and retirees in terms of opening of Retirement Savings Account (RSA) or the Temporary Retirement Savings Account.

Table 4.1 Summary of ANOVA Result on Difference in Opinions

Source	DF	STDE	STD	F – Calculated	Prob. (F)
Between groups	2	5.0262	2.5131	2.81	0.0609
Within groups	611	546.2442	0.993		

Source: *Stata Output.*

Table 4.1 presents summary of ANOVA result on the difference of opinion of serving employees and retirees in terms of opening of Retirement Savings Account (RSA) or the Temporary Retirement Savings Account. From the result, F – calculated 2.81 that is less than the table value of 3.00 at 5% level of significance with degree of freedom 611. The result is not significant at 5% level. Based on the above result, the null hypothesis (H_o) that states that "there is significant difference between the opinions of serving employees and retirees in terms of opening of Retirement Savings Account (RSA) or the Temporary Retirement Savings Account" is accepted against the alternative hypothesis (H_l).

Test of Hypothesis Two

H_0: There is no significant relationship between employees and retirees in the MDA's in – terms of awareness of interest or commission accruable to pension assets.

H_1: There is significant relationship between employees and retirees in the MDA's in – terms of awareness of interest or commission accruable to pension assets.

Table 4.2: Summary of Correlation Result on Awareness of Interest or Commission Accruable to Pension Assets

Variables		Employees awareness of interest or commission accruable to pension assets
Retirees awareness of interest or commission accruable to pension assets	Corr. Coeff.	0.780
	Sign. Level	0.000**

Source: *Stata Output, and (**) indicates significant at 5% level.*

Table 4.2 presents summary of Spearman correlation result on the relationship between employees and retirees of MDA's in terms of awareness of interest or commission accruable to pension assets. From the table, the Spearman correlation coefficient of 0.780 is significant at 5% level of significant level. This shows that the alternative hypothesis (H_1) which "states that there is significant relationship between employees and retirees in the MDA's in – terms of awareness of interest or commission accruable to pension assets" is accepted and the null hypothesis is rejected.

Test of Hypothesis Three

H_0: Serving employees and retirees in the MDA's have no difference in opinion in – terms of receipt notifications of pension monthly contributions and remittance as and when due.

H_1: Serving employees and retirees in the MDA's have difference in opinion in – terms of receipt of notifications of pension monthly contributions and remittance as at when due.

Table 4.3: Summary of ANOVA Result on Difference Opinions of Receipt Notification

Source	DF	Mean	STD	F-Calculated	Prob. (F)
Between Groups	1	3.770	0.9840	4.211	0.041**
Within Groups	612	547.852	0.5814		

Source: Stata Output, and (**) indicates significant at 5% level.

Table 4.3 presents summary of ANOVA result on the difference in opinion between serving employees and retirees in MDA's in terms of receipt notification of pension monthly contributions and remittance as and when due. From the table, F – calculated of 4.211 is greater than the table value of 3.00 at 5% level significant with degree of freedom 612. The result is significant at 5% level. This shows that the alternative hypothesis (H_1) which states that serving employees and retirees in the MDA's have difference in opinion in – terms of receipt notification of pension monthly contributions and remittance as and when due is accepted and the null hypothesis is rejected.

Test of Hypothesis Four

H_I: There is no significant difference of opinion and perception between serving employees and retirees in the delay for accessing pension benefits after retirement.

Ho: There is significant difference of opinion and perception between serving employees and retirees in the delay for accessing pension benefits after retirement.

Table 4.4 Summary of ANOVA Result on Delay in Accessing Pension Benefits

Source	DF	Mean	STD	F – Calculated	Prob. (F)
Between groups	2	10.8506	5.4253	6.13	0.0023**
Within groups	611	540.7716	0.8851		

Source: *Stata Output, and (**) indicates significant at 5% level.*

Table 4.4 presents summary of ANOVA result on accessing pension benefits after retirement. From the result, F – calculated 6.13 is greater than the table value of 3.00 at 5% level of significant with degree of freedom 611. The result is significant at 5% level. This shows that the alternate hypothesis (H_1) which states that "there is significant difference between serving employees and retirees on delay in the accessibility to pension benefits after retirement" is accepted, and the null hypothesis is rejected.

FINDINGS

This section presents the summary of findings of the study. The main findings of the study are as follows:

First, the study found that there was no significant difference between the opinions of serving employees and retirees in terms of opening of retirement savings account or Temporary Retirement Savings Account.

Second, the study found that there was significant relationship between serving employees and retirees in the MDA's in-terms of awareness of interest or commission accruable to pension assets..

Third, the finding of the study reveals that serving employees and retirees have no differences in opinion in-terms of receipt of notification of monthly pension contributions and remittances as and when due.

Lastly, the study found that there was a significant difference between serving employees and retirees in terms of delay in accessibility of pension benefits after retirement.

CONCLUSIONS

The study examines the performance of the Defined Contributory Pension Scheme in Nigeria. This study concludes that the defined contributory pension is better than the previous pension scheme such as the Pay As You Go because of trust and confidence exhibited by beneficiaries in it.

RECOMMENDATIONS

The following recommendations are made based on the findings of the study:

Firstly, since contributory pension scheme is built upon employer and employee contribution into retirement saving account, hence, to guarantee adequate security and availability of funds in the retirement pension fund, the government should ensure that serving employee and retiree contributions are well guarded.

Secondly, serving employees and retirees should constantly be served with a notice of interest or commission accrued to their pension assets

Thirdly, also since employees are aware of their monthly contribution and remittances as and when due, the government should make it as a matter of policy for the PFAs to notify contributors where their funds are invested.

Fourthly, accessibility to pension benefits with ease is the essence for the new policy framework replacing the old system. Therefore, the National Pension Commission should provide liaison offices in all the states of the federation to ease communication between a retiree and the PFAs for easy access to their benefits.

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