

ED2/361/2

Office of Establishments and Training,
Office of the Head of Service,
Governor's Office,
Akure.

04 March, 2014

CIRUCULAR LETTER TO:

The Chief of Staff to Mr Governor,
Secretary to the State Government,
The Senior Special Assistant to the Deputy Governor,
The State Commissioners,
Permanent Secretaries,
Administrative Secretaries,
The Clerk, Ondo State House of Assembly,
The Ag. Statistician-General,
The Auditor-General
The Ag. Accountant-General,
Tutors-General,
The State Auditor-General,
The Auditor-General for Local Governments,
General Manager/Head of Non-Ministerial Departments,

**FIRST INFORMATION CIRCULAR ON THE PROPOSED
CONTRIBUTORY PENSION SCHEME IN ONDO STATE**

I write to inform you and the entire workforce that the State Government has initiated steps leading to the implementation of the Contributory Pension Scheme in the Public Service of Ondo State. Although, the full implementation of the Scheme may take a while before it begins, non-the-less, the process has started. My Office shall start to work with relevant Government Agencies and the Organised Labour to ensure its smooth take-off.

02. This has become necessary in view of the fact that the Contributory Pension Scheme came to effect in Nigeria ten years ago, with the enactment by the National Assembly of the Pension Reform Act 2004, on 25th June 2004. The Act repealed the Pension Act 102 of 1979 hitherto in force. While Federal Government commenced the implementation of the new Pension Scheme for its Public Servants in July, 2007, most States in Nigeria are at various stages of implementing the Scheme. Lagos, Osun, Ogun, Ekiti, etc started years ago.

03. I wish to make it clear to all Government Officials that, regulation of pension administration is on the Exclusive Legislature list of the 1999 Constitution of the Federal Republic of Nigeria and legislated on only by the Federal Government. The Federal Government has therefore mandated the States and Local Governments to take necessary steps, in collaboration with the National Pension Commission to establish the Scheme by adopting or domesticating the new Pension Law in their jurisdictions. Our State, Ondo, therefore cannot stand alone in the progressive march.

04. Consequently, a State Implementation Committee has been set up. Its membership includes two (2) Representatives of the Organised Labour Unions and other stakeholders. The Committee has started meeting. Following the Trade Unions position that the Pension Law be properly domesticated before the Scheme begins fully,

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04. Consequently, a State Implementation Committee has been set up. Its membership includes two (2) Representatives of the Organised Labour Unions and other stakeholders. The Committee has started meeting. Following the Trade Unions position that the Pension Law be properly domesticated before the Scheme begins fully, the State Government has returned the proposed Law to the State House of Assembly

for the various views to be properly annexed in the Law. Organised Labour Unions are expected to take full advantage of this golden opportunity.

05. According to the provisions of the Law establishing the Scheme, workers are to contribute a maximum of 7.5% of their total emoluments while the State Government will contribute a total of 12.5% of the total emoluments of workers. For example, an Officer on GL.01/1 earning ₦22,004.08 will contribute a sum of ₦1,650.05 and Government will contribute ₦2,750.51 for him/her. An analysis of the probable contributions of workers are contained in the table below for your perusal.

S/N	GL	TOTAL MONTHLY SALARY ₦	WORKERS CONTRIBUTION 7.5%	GOVERNMENT CONTRIBUTION		TOTAL ₦
				7.5%	5.0%	
1	GL. 01/1	22,001.04	1,650.08	1,650.08	1,100.06	4,400.20
2	GL.02/1	22,267.48	1,670.06	1,670.06	1,137.37	4,453.49
3	GL.03/1	22,566.15	1,692.46	1,692.46	1,128.30	4,513.22
4	GL.04/1	23,258.35	1,744.37	1,744.37	1,162.91	4,651.66
5	GL.05/1	25,065.18	1,879.88	1,879.88	1,253.25	5,013.02
6	GL.06/1	28,310.79	2,123.27	2,123.27	1,415.53	5,662.11
7	GL.07/1	36,943.72	2,770.77	2,770.77	1,847.19	7,388.73
8	GL.08/1	46,987.00	3,524.02	3,524.02	2,349.35	9,397.39
9	GL.09/1	55,070.91	4,130.31	4,130.31	2,753.54	11,014.77
10	GL.10/1	64,523.87	4,839.29	4,839.29	3,226.19	12,904.77
12	GL.12/1	74,169.15	5,562.68	5,562.68	3,708.45	14,833.82
13	GL.13/1	82,966.01	6,222.45	6,222.45	4,148.30	16,593.20
14	GL.14/1	93,460.29	7,009.52	7,009.52	4,673.01	18,692.05
15	GL.15/1	137,115.65	10,283.67	10,283.67	6,855.78	22,423.12
16	GL.16/1	175,225.17	13,141.88	13,141.88	8,761.25	35,045.02
17	GL.17/1	186,351.17	13,976.33	13,976.33	9,317.55	37,270.27

06. It must be emphasised that the savings from the contributions go directly to each worker's Retirement Savings Account (RSA), owned and operated by him/her. The savings are towards the retirement benefits of the affected workers and only they have absolute control. The Scheme is the only solution to perennial delay in the payment of pensions and gratuities in Nigeria, Ondo State inclusive.

07. While I shall endeavour to continuously brief the entire Public Service in respect of this Scheme, please give the contents of this circular letter the adequate publicity it deserves.


Toyin Akinkuotu, Esq.
 Head of Service