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Factors that Permeate the Performance of Pension Funds in Nigeria: Evidence from Ekiti State

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Abstract: The study investigates the factors that permeate the performance of pension funds in Nigeria. The study specifically addresses the effects of risk assessment of staff, age of pensioners, and contributions of pensioners towards the performance of the pension fund (Timely payment of pension) in Nigeria. It employed a quantitative research method, using questionnaires administered to obtain data from primary sources. The Microsoft Excel application was intermittently used to analyse the information, while E-View version 9 was used to carry out regression analysis. The results indicate that administrative staff of PFAs were not subjected to criminal record checks before, during, and after their interview for employment, and when employed by the PFAs, such staff are permeated by peer groups to commit fraud so as to live an extravagant lifestyle. The study further establishes that a lengthier time of contribution secures the pension fund's sustainability through PFAs as a lengthier focuses on increasing fund availability for investment when compared to their elder counterparts, younger members participate for a lengthier duration of time and this serves as a bonus to PFAs to cushion the effects of the payments for the elderly with long life which better their social, infrastructural, healthcare facilities and welfare packages for life sustenance. In addition, early remittances of collected contributions from employers facilitate quick benefits processing and payments, which implies that a

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delay in remitting the morally obligatory contributions slow down the payment of incentives. A functional, dynamic supervision, review, and re-evaluation of the PFAs with a strong feedback mechanism for proper compliance with guidelines are to be put in place and strengthened. Strong legislation should be promulgated to guide against the mismanagement of PFs of Nigerian employees by the PFAs.

Keywords: Pension Fund administrator (PFAs); Pension fund (PF); Contributions; Pension; Ekiti State

JEL Classifications: H53, H55

1. Introduction

The term “superannuation” refers to a stage in one’s career that all employees must reach, whether they are ready or not. It is the period when a worker thinks carefully about the different possibilities available to choose to resign from his or her job completely (which could be voluntary or involuntary), and agree with the employee’s retirement income options, ranging from gratuities to firm pensions, etc. It is an unavoidable moment in someone’s life, whether in the private or public sector, when one’s labour in an organisation and roles as a paid worker are combined and terminated. Retirement can occur as a consequence of unsound health, old age, or mandatory completion of the period of time in active service. With the pensionable age that has been set at 60 years or 35 years of service, whichever comes first, as a result of modifications to the civil service order No. 43 of 1988. Chinnah et al. (2019). After the retirement, the pension is set in after or before the settlement of gratuity. The promulgation of the Pension Reform Act of 2014 (PRA2014), which repealed the Pension Reform Act of 2004, sparked a flurry of debate about its potential transformational impact; however, the present occurrence has confirmed PRA 2004’s inept implementation. According to the National Pension Commission (PenCom), as of 2018 states that, roughly 12.09 percent of Nigeria’s population (equal to 8.41 million out of 70 million working-age Nigerians) contributed to pension plans. As a result, just about a third of the population has a pension plan, leaving 87 percent of Nigerians with no pension coverage when they retire (Punch, 2019). However, many countries around the world have experienced an increase in the creation and expansion of pension funds. An increase is one of the most notable trends is the expansion of pension funds and of the recent developments that Nigeria has given utmost attention to as a result of the fragility. In most nations where they exist, pension funds constitute a considerable stimulus to capital markets through the bank lending process. Pension funds act as a perfect substitute for facilitating the growth of capital markets while mediating as complementary sources for funds to

deposit in money banks.

Pension funds perform different functions that are of immense benefit to participants and the economy as a whole will benefit from mainly money deposit banks and investment banks. Other possible consequences of pension fund expansion include a boost to wealth creation, better financial rules, governance practices, upgrading of securities market technology, and an overall increase in financial market integrity, accountability, greater transparency and productivity hence, lengthy economic expansion should be boosted as a result of such benefits.

The increase of members, the quantity of contributions received, the returns from investment ventures and undertakings, payments paid to entitled pensioners all factor towards the success of pension funds. Participant registration and a growth in the number of members are other factors in pension fund effectiveness, which may be a function of employment or the decision of individual to change PFAs both in the private and public sectors. Other aspects of pension fund success include client enrolment and membership growth, which is an additional performance index. The rise in membership joining the contributory pension scheme of any PFA firm will invariably translate to an increase in membership contributions. It goes with this theory, the larger a pension firm's client base, the higher its contribution margin of increase.

The contributory pension scheme (CPS) also depends totally on the compliance rate of employers and their contributions. When an employer complies, contributions are supposed to rise if an employer follows the contribution policies specified by pension providers. However, pension challenges include a low percentage of members enrolled, minimal or no pay increases for members, stakeholder cluelessness, and poor levels of employer adherence, all of which contribute to the pension sector's deficiencies. The obstacles facing pension systems in Nigeria are associated with an unbalanced inherited institutional framework from the British colonial master and the resultant governance, bureaucratic institutional framework. This makes service delivery sub-standard in the country, thereby generating significant disagreement among pension scheme members and other participants. Lack of updated knowledge about the plans, the amount of participants' contributions paid, anticipated benefits, and the number of benefits supplied by most existing programs is obscured to the pensioners who are the PFAs' firm clients.

The boom in the ageing of the working population worldwide facilitated the need for better hands to manage pension funds in many countries, which Nigeria is inclusive.

Traditional pay-as-you-go pension systems appear to be in jeopardy in most developed and emerging nations, since life expectancies are increasing and fertility rates are rising as a result of the availability of medical care and a good standard of living (Matimbwa, 2019). Working-age people's pension contributions are insufficient to keep the elderly afloat (pensioners) which necessitated the shifting of pension funding systems to partial from full funding, hence the introduction of the contributory pension method. Though the rate of unemployment within the government and private sector may have an effect on any pension fund's administrators' set target.

In addition to the incapability of coping with the huge population increase and unemployment pressures, coupled with unsustainable increase in government expenditure, this encourages countries that change their pension systems to incorporate fund heterogeneity, which will encourage economic and social development by enhancing national savings and capital market innovation.

Other issues confront the pension program, one of which is futility in remittance of contributions as at appropriate regulated time; In Nigeria an employer is required to remit pension contributions to the Pension Fund Custodian (PFC) specified by the employee's Pension Fund Administrator (PFA) within seven (7) working days after payment of salary. Failure to do so will result in a penalty of not less than 2% of the total contributions remaining for each month or part of each month that the default continues, and the amount owed will be recoverable as a debt owed to the employee's Retirement Savings Account (RSA) because of the time, cost, and lack of understanding about how to seek remedy, most employees give up their rights if the sum is little. Also, ineffective pension payment management, i.e., corporate governance, efficient and effective data management of pensioners and their contributions, is also a hitch.

Furthermore, the corruption in the Nigeria Social Insurance Trust Fund (NSITF) mismanaged PFs to the sum of N62.555 billion, which is still under investigation by the Federal Government (FG) Administrative Panel, putting PenCom's incompetence, lack of protecting pensioners' interests to the test. *"There were many transfers of funds respectively between bank accounts without approval and authorizations,"* the Panel unearthed, which is defeating the goal of the contributors' pension contribution mechanism as an asset for extending the life span of retirees by providing retirees with an income guarantee in their later years.

In light of the above, the goal of the study is to establish whether the factors that permeate the performance of pension funds in Nigeria were resolved by the 2014 revised pension reform and to see whether the problems raised in the background to the study were resolved in Nigeria as evident from Ekiti State.

2. Review of Related Concepts and Empirical Studies

2.1. Retirement

There comes a period when one leaves their job or vacation for rest as a result of old age or length of service is which we call retirement. Moreover, retirement can be seen as a wilful or forced or terminal disengagement of work in an occupation for which a person was paid an agreed wage or salary over a lengthy or short time in a private or public establishment. Retirement might be due to unsound health, advanced age, or the completion of a set number of years one leaves; lecturers and judges have a longer period because of the nature of their profession and judges. As a result, among other things, the need for a pension administration has arisen in order to meet the future commitments of these workers and to provide them with a comparable and appropriate level of living before their active employment.

2.2. Benefits

Benefits refer to the financial package as an entitlement given to a retiree in the form of pension and gratuity or both, according to the conditions of the service or terms of the contract agreed. The contract was taken between the employer and the employee. This benefit falls under the pension scheme, which deals with the management and administration of the employee's retirement benefits when the employee has completed service.

2.3. Pension

Pension is the total of any income or money provided by the government or a corporate organisation to an employee after they have worked for a particular time and have either become too elderly or unwell to work or have reached the mandatory retirement age. It is a medium of providing for the well-being of the retirees after their meritorious service to an organisation. Pension is a regular income or monthly financial package legally put in place by PFAs to ensure that the retiree gets their

monthly income after retirement. According to Ozor (2006), establish pension as an aggregate sum of when an employee is released from active duty, he receives a paycheck. In most cases, the money is made in monthly instalments in the form of a wage. It is, once again, a financial plan that legally stipulates its organization and management to provide employees peace of mind, support or encourage them to greater output, and ensure that a retiree and their dependents enjoy a good life. The new contributory pension Act 2014 covers all federal, state, local government workers, and all private sectors with at least 5 employees. The scheme serves as the first-time pensions have universal coverage in Nigeria, inclusive of the private and public sectors.

2.4. Pension Fund Administrators

As a result, among other things, the need for a pension administration has arisen in order to meet the future commitments of workers and to provide them with a comparable and appropriate level of living before their active employment. Pension funds must be privately handled by licensed Pension Fund Administrators, according to the new pension system reform of 2014. Pension Fund Administrators (PFAs) are authorized to create Retirement Savings Accounts (RSAs) for workers, invest, and administer pension funds under PENCOM regulations. RSA keeps books of accounts on all transactions pertaining to the pension funds it manages; gives regular information to workers or beneficiaries; and pays retirement benefits to employees in compliance with the Pension Reform Act 2014's requirements Chinnah et al, 2019). There are 28 Pension Fund Administrations (PFAs), four Pension Fund Custodians (PFCs), and seven Closed Pension Fund Administrations (CPFAs) in Nigeria.

Table 1. List of Pension Fund Administrators (PFAs), Closed Pension Administrators (CPAs), and Pension Fund Custodians (PFCs) in Nigeria

S/N	LIST OF PENSION FUND ADMINISTRATORS	S/N	LIST OF PENSION FUND ADMINISTRATORS
1	ARM Pension Managers Limited	15	Investment One Pension Managers Limited.
2	APT Pension Fund managers Limited.	16	Leadway Pension Fund Administration Limited.
3	Axa Mansard Pension Limited.	17	Legacy Pension Managers Limited.
4	Amama Pension Managers Limited.	18	NPF Pension Limited.

5	AIICO Pension Managers Limited	19	NLPC Premium Pension Limited.
6	Citi Trust Pension Limited.	20	OAK Pension Limited.
7	CRIB Pension Fund Managers Limited.	21	Penman Pension Limited.
8	Crusader Sterling Pension Limited.	22	Pensions Alliance Limited.
9	Evergreen Pension Limited.	23	Premium Pension Limited
10	Fidelity Pension Managers Limited.	24	Royal Trust Pension Fund Administrators Limited
11	First Guarantee Pension Limited.	25	Radix Pension Managers Limited.
12	Future Utility Glanvils Pension Limited.	26	Sigma Vaughn Sterling Limited.
13	IEI –Anchor Pension Managers Limited.	27	Stanbic IBTC Pensions Managers.
14	IGI Pension Fund Managers Limited	28	Trust Fund Pension Plc
	List of Closed Pension Administrators.		List of Pension Fund Custodians (PFCs)
1	Chevron Close PFA Limited	1	Diamond Pension fund Custodian Limited.
2	Nestle Nigerian Trust Limited	2	First Pension Custodian Nigerian Limited
3	Nigerian Agip CPFA Limited.	3	UBA Pension Custodian Limited
4	Progress Trust CPFA Limited	4	Zenith Pension Custodian limited
5	Shell Nig CPFA Limited.		
6	Total (E&P) Nigeria CPFA Limited.		
	UNICO CPFA Limited.		

Source: Authors' compilation from Pencom (2024)

2.5. Pension Contributory Fund as a Tool for Investment

Fatokunbo (2019), in his article titled “The Reformation: Is it Possible for the Pension Reform Act of 2014 to Go Much Further?”, aims to evaluate the impacts of the current pension laws, since they were outdated when first enacted over a decade and a half ago. More importantly, he examines the successor laws, considering Nigeria’s current pension administration challenges and potential solutions. The research reviews the pension reforms implemented when the PRA was introduced to change the mindset of many Nigerians who had been used to the pay-as-you-go system inherited from colonial rulers. Despite the significant potential of pension systems as a means to mobilize funds for national development, he concludes that over 87 percent of Nigeria’s population has yet to be covered. Pension funds now

serve as key investors with the capacity to help address Nigeria's infrastructure deficits. Given the country's infrastructure gap, PFAs can collaborate with reputable investment managers (IM) and corporate finance (CF) firms to finance profitable infrastructure projects. To ensure compliance, relevant regulatory procedures, robust legal agreements, and consistent rules are necessary to minimize investment risks and provide tangible results for PFAs and prospective investors. Although the PenCom Regulation on the Investment of Pension Fund Assets 2019 only allows a maximum of 5% for such private equity projects due to their inherent risks.

Furthermore, Sections 85 to 87 of the Pension Fund Investment Act of 2014 authorize the PFA to invest the PFs to ensure their safety and maintain fair returns on the invested amounts. Within Nigeria, Section 86 PRA 2014 allows a variety of securities in which PFs and assets can be invested. Most investments are made in government bonds and bills, which offer low returns on investment (ROI), to protect PFs and assets. "The N8 trillion assets are not in banks; they are invested in several asset classes, notably Federal Government Securities... as they account for around 70% of the pension assets," said Misbahu Yola, MD/CEO, FCMB Pensions. "Infrastructural development is permissible under the investment guidelines through particular vehicles such as the infrastructure bond or an infrastructure fund. However, the big difficulty with infrastructure is that it is a public item, a public asset," Mishabu continued (Business Day, 2019).

Chinnah, Amabibi and Wejinya (2019) examined in-depth issues affecting the prospect in retrospect the two pension Act of 2004 and 2014. The study is rooted on the qualitative research approach and employs review of important literature and takes a look at the politics of and administration of employee's retirement benefits in Nigeria: Issues, challenges and prospects and made recommendations on way forward about pension administration in Nigeria.

Cosmas and Matimbwa (2019) examine the efficiency of pension payment management in Tanzania: A case study of NSSF in Iringa Municipality. The study examines the impact of ICT use, employee quality, and management style on the efficacy of pension payment management in particular. The effectiveness of pension payment management in Tanzania: A case study of the NSSF in Iringa Municipality. Inferential analysis was done with the use of SPSS 20. Findings from the multiple linear regression show, there is a statistically meaningful weak association between the use of ICT and management style on the efficacy of pension payment management, and the data result also shows a modest nexus between staff quality

and pension payment management effectiveness. This reveals the nexus between explanatory variables and dependent variables.

Matimbwa (2019) investigates and analyses the elements that influence the performance of Tanzanian pension funds, particularly the Local Authority Pension Fund (LAPF). Questionnaires were utilized to collect data for the study, which was a quantitative research approach. A representative sample from each level was also chosen using probability sampling. The data obtained from respondents was analysed using descriptive statistics such as percentages and frequencies with the Microsoft Excel program and SPSS version 20. According to the findings of the study, when many businesses encounter economic downturns, they close their doors with arrears of member payments, causing delays in benefit processing. In addition, late delivery of collected contributing funds from employers leads to delays in the processing of payments. Employers who fail to make legally necessary contributions impede benefit payouts, according to the study reviewed.

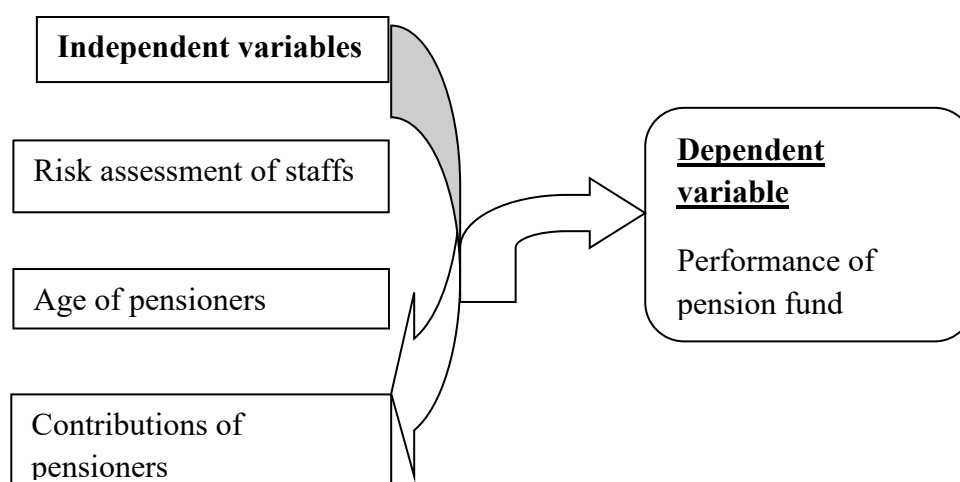
Sawick and Ong (2000) examine and assess the performance of managed funds in Australia. Conditional models were used in the research (based on the semi-strong form of the market efficiency model of Fama). To analyse the data, regression and correlation analyses were employed. The findings revealed that having a strong fund value allows pension plans to boost lump sum payments to retirees, which also ensures incapacity and sustainability. The report also said that a strong fund value derived from member contributions allows the fund to carry out additional activities in investments.

Again, Walker and Iglesias (2010) investigate how the members' contributions boost the fund's stability, allowing for prompt payment of retirees, according to the study's findings. The analysis also revealed that the pension fund's fund worth enables them to pay tax on all investments and to increase not just membership but also branch locations to accommodate the services given. The research went on to say that the fund value drives investment and greatly helps the pension fund's members.

Evidence from the literature study reveals that there are conflicting conclusions on the elements that permeate pension fund effectiveness, implying that the issue of pension fund performance is a point of contention among reputable scholars. It is undeniable that the majority of contributory pension plans are still in the early stages of development, making any substantial trend analysis on their performance challenging. Notwithstanding the issues confronting Nigerian pension funds, few

scholars have investigated the important elements that influence pension fund performance in the Nigerian setting in order to close the current gap.

Figure 1 below shows the existing relationship between factors that permeate on the performance of pension funds in Nigeria, as evident from Ekiti State.



Source: Author's Design (2024)

3. Methodology

The methodology for examining the factors that permeate the performance of pension funds in Nigeria, with a specific focus on Ekiti State, includes various research approaches. These approaches will include a mixture of qualitative and quantitative methods to ensure a comprehensive understanding of the underlying factors. This section will outline the research design, data collection methods, sampling techniques, and data analysis.

3.1. Research Design

The study adopts a mixed-methods investigative design, combining both quantitative and qualitative methods. This design is adequate because it enables the triangulation of data, providing a more robust and comprehensive analysis of the factors affecting pension fund performance. The quantitative side encompasses the collection and

analysis of numerical data, while the qualitative aspect includes the exploration of observations and experiences through interviews from the focus groups.

3.2. Area of the Study

A well-structured questionnaire was administered at the headquarters of respective pension fund administrators in Ado-Ekiti, Ekiti State, in the Federal Republic of Nigeria. This study used a mixed-methods research design. This method was found favourable by the researcher to underpin the perceived factors that permeate the performance of pension funds in Nigeria via Ekiti State. Primary data used for this study were on self-administered questionnaires and interviews and gathered seventy-eight (78) respondents at the respective headquarters locations of PFAs across Ado-Ekiti, Ekiti State in Nigeria.

3.3. Data Collection Procedures

The questionnaire used was adapted from the 2017/2018 Internal Control Questionnaire and Assessment, Bureau of Financial Monitoring and Accountability, Florida. It was modified to suit the purpose for which it was to serve. Each respondent was required to fill out a questionnaire and grant an interview after a brief introduction of the objectives of the study by the researcher. The research questionnaire was administered in the pension fund administrators' respective head offices in Ekiti State during business hours.

3.4. Secondary Data Analysis

Adequate secondary data were sourced from official reports, publications by the National Pension Commission (PenCom), financial statements of pension fund administrators, and other related documents. This data offers historical context and trends in the performance of pension funds in Ekiti State.

3.4.1. Quantitative Data

Structured questionnaires were circulated to pension fund administrators, employees contributing to pension schemes, and retirees in Ekiti State. The questionnaire includes sections on demographic information, knowledge of pension funds, satisfaction levels, and apparent and supposed factors affecting the performance of pension funds. The semi-structured interviews were conducted with vital

stakeholders, including officials from PenCom, pension fund administrators (PFAs), financial experts, and designated pensioners. These interviews provide an in-depth understanding of the factors affecting pension fund performance. Moreover, the focus group discussions were organised with groups of employees and retirees to gain a deeper understanding of their observations and experiences regarding pension fund management and performance.

3.4.2. Sampling Technique

A stratified random quantitative sampling technique was used to ensure representation across different levels, such as age groups, employment sectors (public and private), and urban and rural areas within Ekiti State. This approach helps in capturing various perspectives and enhancing the generalisability of the study findings. The sample size was determined using statistical formulas, taking into account the population size, confidence level, and margin of error. The population of pension contributors in Ekiti State is 100. A sample size of 78 respondents was used for a 95% confidence level and a 5% margin of error.

3.4.2.1. Validity and Reliability of Instrument Validity

To ensure validity, the questionnaire that was used to obtain primary data needed for the study was validated through construct, content, and face validity. This was to ensure that the instrument measures what it purported to establish. To ensure this, the questionnaires were scrutinised so that the instrument measures the issues raised.

The test for reliability and internal consistency of the research instrument is conducted through the Cronbach's alpha coefficient. The Cronbach coefficient is expected to show an acceptable degree of reliability. The coefficient is considered satisfactory when it exceeds 0.7 (Nunnally & Bernstein, 1994). The test and re-test matched the Cronbach's alpha reliability coefficient.

Table 2. Validity of Research Instruments

Variables	Measuring Scale	Cronbach's alpha	References
Members' contributions	Monitoring Activities; Risk Assessment	0.761	Idris (2014)
Age of pensioners/ Fraud Prevention and Detection	Monitoring Activities & Risk Assessment	0.791	Gupta and Bansal (2012)

Source: Authors' Compilation from Idris (2014) and Gupta et al. (2012)

The Cronbach coefficient test showed an acceptable degree of reliability. The test and re-test shown below the Cronbach's alpha reliability coefficient results as follows: As shown in Table 3, the Cronbach Alpha of the measures was all comfortably above the lower limit of acceptability (Cronbach's Alpha > 0.70). Thus, all the measures are highly reliable.

Table 3. Cronbach's Alpha Test Results for Reliability Statistics

S/N	Variables	Components	Items	Cronbach Alpha
1	Risk Assessment of Staff	Internal Control System	3	0.921
2.	Age of Pensioners	Fraud Detection Prevention	3	0.991
3.	Contributions of pensioners to the Scheme	Information and Communication for monitoring the activities of pensioners	3	0.784

4. Results and Discussion

The analytical method for this study includes descriptive and inferential statistics. The descriptive statistics include percentages, tables, and frequency distributions. These were used to analyse the demographic variables of the responses to each item on the research instrument. The inferential method was used to establish the nexus among the variables.

4.1. Demographic Distribution

The demographic distribution of the respondents is detailed in Table 4 below:

Table 4. Demographic Distribution

Variables	Categories	Frequency	Percentage
Sex Distribution	Male	51	65.4
	Female	27	34.6
	Total	78	100.0
Age Distribution	18-25years	7	9
	26-35 years	25	32.1
	36-45 years	23	29.5
	46-55 years	19	24.4
	56 years above	4	5.1
	Total	78	100.0

Marital Status	Single	2	2.6
	Married	75	96.2
	Divorced	1	1.3
	Total	78	100.0
Educational Qualification	HND/BS.c	9	11.5
	ICAN/ANAN/CIBN	36	46.2
	Postgraduate	33	42.3
	Total	78	100.0
Working Experience	1-5 years	23	29.4
	6-10 years	35	44.9
	11 and above	20	25.6
	Total	78	100.0

Source: Authors' Field Survey (2024)

The demographic distribution for this research showed that sex distribution indicated that fifty-one (65.4%) of the respondents are male and twenty-seven (34.6%) are female, which revealed that males are more than females at the top level of affairs in the pension administration sector in Ekiti State. The age distribution revealed that seven (9%) of the respondents are between 18-25 years, twenty-five (32.1%) of the respondents are between 26-35 years, twenty-three (29.5%) of the respondents are between 36-45 years, nineteen (24.4%) of the respondents are between 46-55 years while four (5.1%) of the respondents are 56 years and above. The implication of this is that the majority of the staff at the helm of affairs in pension fund administration in Ekiti State, Nigeria, are youth. Marital status of the respondents revealed that two (2.6%) of the respondents are single, seventy-five (96.2%) are married, while one (1.3%) of the respondents is divorced. This implies that the majority of the members of staff are married. Educational qualifications of the respondents indicated that nine (11.5%) of the respondents have with HND/B. Sc certificates, thirty-six (46.2%) of the respondents are ICAN/ANAN/ CIBN certificate holders, while thirty-three (42.3%) of the respondents are postgraduate certificate holders. The respondents working experience of staffs revealed that twenty-three (29.4%) of the respondents are between 1-5 years in service, thirty-five (44.9%) of the respondents are between 6-10 years in service while twenty (25.6%) of the respondents are 11- and above years, (25.6) in active service meaning that majority of the PFA staffs are active and young in service.

4.2.1. Risk Assessment of PF Administrators' Staff Affects the Performance of Pension Fund

In this section, the researcher was interested in examining how the risk assessment of PF Administrators Staff permeates pension fund performance as regards the sensitivity and fragility of risk involved. As a result, the researcher asked respondents to reply to four questions in which they were asked to identify areas on which they agreed or disagreed.

Table 5 shows the findings as follows:

	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
	(Frq) Perc	(Frq) Perc	(Frq) Perc	(Frq) Perc	(Frq) Perc
Administrative Staff of PFA are influenced by peer groups to commit fraud.	38 (48.7)	30 (38.5)	10 (12.8)	0 (0.0)	0 (0.0)
Administrative staff of PFA were not subjected to criminal record checks before and during employment.	40 (51.3)	29 (37.2)	0 (0.0)	9 (11.5)	0 (0.0)
Administrative staff of PFA were not insured by the insurance company.	42 (53.9)	5 (6.4)	0 (0.0)	31 (39.7)	0 (0.0)
There were no adequate guarantors for PFA workers when employed.	0 (0.0)	19 (24.4)	2 (2.6)	26 (33.3)	31 (39.7)

Results in Table 5 indicate that 87.2% of the respondents think that the Administrative Staff of PFAs are permeated by peer groups to commit fraud due to their peer influence and the need to live an extravagant lifestyle or a life full of luxury, while 12.8 % of the respondents are undecided or neutral. Despite this, 88.5% of the respondents were of the view that administrative staff of PFAs were not subjected to criminal record checks before and during, and after their interview for employment and when employed by the PFAs. However, 11.5% disagree that it is not possible to employ anybody to such a sensitive office without carrying out a criminal record check on such an officer. In addition to this, 93.6% agreed that the

administrative staff of PFA were not insured by an insurance company as a result of the happenings in this volatile sector, while 6.4% of the respondents were neutral on the question raised. Also, there are mixed results on the respondents' opinions of the fact that there were no adequate guarantors for PFA workers when employed by the PFA in Ekiti State. 70% of the respondents disagreed that it is not possible to employ any officer to such an elated office without a guarantor while 24.4% agree that staffs can be employ by the PFA without guarantor as a result of the influence of God - father and the bureaucratic nature of the appointment system in as much the officer is a candidate of "Oga at the Top" (senior boss at the top) 2.6 % are neutral on the question of the subject matter of PFA in Ekiti State as well.

4.2.2. Age of Pensioners Affects the Performance of a Pension Fund

Table 6. Age of Pensioners affects Performance of a Pension Fund

	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
	(Frq)Perc	(Frq)Per	(Frq)Per	(Frq) Per	(Frq) Per
The lengthy age period of the contributor pensioner increases the Liability on PFA in Ekiti State.	44 (56.4)	31 (39.7)	3 (3.9)	0 (0.0)	0 (0.0)
A longer time of contribution secures the pension fund's sustainability of PFA in Ekiti State.	50 (64.1)	27 (34.6)	1 (1.3)	0 (0.0)	0 (0.0)
As a benefit to PFA in Ekiti State, younger members contribute for a longer significant period than older members.	60 (76.9)	18 (23.1)	0 (0.0)	0 (0.0)	0 (0.0)
A longer period of contribution increases the debt liability on the PFA in Ekiti State.	61 (78.2)	17 (21.8)	0 (0.0)	0 (0.0)	0 (0.0)

Table 6 shows that 96.1 percent of respondents believe that the length of time a contributing pensioner is eligible for rises. A longer duration of contribution raises the amount of contribution on PFAs and facilitates better performance of the pension fund administrator, though more pensions are paid to pension beneficiaries. However, 98.7% of the respondents were of the view that a longer term of contribution secures the pension fund's sustainability through PFAs, and that a

longer period of contribution enhances fund availability, and that younger members contribute for a prolonged duration than their older participants and this serves as a bonus to PFAs to cushion the effects of the payment for the elderly with long life span due to better social infrastructural and healthcare facilities and welfare packages they enjoy which is sustaining their life. To cap it all, 100% of the participants agree that contributing for a longer length of time increases debt liability on PFAs as well.

4.2.3. The Contributions of Pensioners Affect the Performance of the Pension Fund

Table 7. The Contributions of Pensioners Affect the Performance of the Pension Fund

	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
	(Frq) Per	(Frq) Per	(Frq) Per	(Frq) Per	(Frq) Per
Lengthy contribution periods result in more contributions, which translate to greater investment funds.	45 (57.7)	32(41.0)	1 (1.3)	0 (0.0)	0 (0.0)
Members' contributions facilitate fund sustainability/ relief of pension to pensioners.	50 (64.1)	27(34.6)	1 (1.3)	0 (0.0)	0 (0.0)
Members' contributions enhance quick/adequate payment of pension to pensioners on PFAs on time in Ekiti State.	60 (76.9)	18(23.1)	0 (0.00)	0 (0.0)	0 (0.0)
Members' contributions enable Ekiti State to conduct more poverty alleviation programmes to pensioners to benefit from the investment funds of PFA.	46 (59.0)	31(39.7)	1 (1.3)	0 (0.0)	0 (0.0)

Findings from table 7 above show that 98.7% of the participants agreed that a lengthy contribution period is necessary to accumulate more in lump sums, which translate to larger investment funds for PFAs to invest in diversified ventures either within or outside Ekiti State, with the expectation of higher returns on their PF investments. Furthermore, 98.7% also agreed that members' contributions help sustain the fund and provide for pensioners, supporting the survival and growth of PFAs and improving pensioners' welfare. All respondents (100%) believed that members' contributions enable timely and adequate pension payments, increasing fund availability and facilitating prompt pension disbursement. Additionally, 98.7% of

respondents agreed that members' contributions enable PFAs to carry out more poverty alleviation programs for pensioners, helping improve their quality of life by enabling them to live longer, healthier, and more comfortable lives, free from hardship.

4.3. Model Specification

Inferential statistics techniques, such as regression analysis, were employed to identify the nexus between variables and determine the important factors affecting pension fund performance. Moreover, a model was created to suit this study in order to meet the stated goal with enough variables, hence calculating the most likely association among the variables in secondary data and its fitness. Furthermore, the risk assessment of staff (RAS), age of pensioners (AOP), and contributions of pensioners (COP) were used as the independent variables, while the Performance of the pension fund (Timely payment of pension -TPP) was used as the dependent variable. This was stated below:

$$TPP = f(RAS, AOP, COP, U_t) \dots\dots\dots 1$$

Expressing equation (1) more explicitly, we have:

$$TPP = \beta_0 + \beta_1 RAS + \beta_2 AOP + \beta_3 COP + U_t \dots\dots\dots 2$$

Where: β_0 = Constant intercept; $\beta_1 - \beta_3$ = Parameters or coefficients to be estimated; f = Functional notation and U_t = Stochastic error term.

4.3.1. Regression Analysis

It should be recalled that there is a need for a fitted regression estimate, which was employed on the variables of interest, namely, TPP, RAS, AOP, COP, as specified in equation 2.

Table 8. Regression Result for Factors that permeate the Performance of Pension Funds

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.293710	0.064153	20.16614	0.0000
RAS	1.936269	0.379203	0.385786	0.0000
AOP	0.314514	0.114261	2.752591	0.0097
COP	1.718125	0.694062	2.475462	0.0188

R-squared	0.997436	F-statistic	7781.272
Adjusted R-squared	0.997308	Durbin-Watson stat	1.943887
Prob(F-statistic)	0.00000		

Source: E View 9.0 Statistical Package, (2024)

The table 8 result revealed the factors that permeate on the performance of pension fund in Nigeria with evidence from Ekiti State, which was tested accordingly with fitted regression estimate that was employed with the result of RAS, AOP, COP coefficients of 193.6, 31.45% and 171.8% respectively, which is positive and significant; as such it implied that the variables significantly and positively permeate pension performance by their respective coefficients. Importantly, the risk of administrative staff, the age of pensioners, and the contributions of pensioners significantly adjust to changes in pension performance and reform in Nigeria, Ekiti State. This implies that any policy formulated by the Pencom (Pension Commission) periodically and significantly affects the PFAs in Nigeria. The Adjusted R-square indicated 99.73% variation of changes in the dependent variable; this change can be explained by the power of the explanatory variables, while 0.27 is subject to error terms. The F-statistic coefficient value of 7781.272 indicated that the model is significant, as evidenced by the probability value of 0.00000, which is less than 0.05. Also, the Durbin Watson test of 1.94 is equal to 2 when approximated, and this denotes that the model is free from any serial autocorrelation. Based on the findings from the result of the regression, the study concluded that the model structure is suitable, dependable, and appropriate for examining the factors that permeate on the performance of pension funds in Nigeria with a focus on Ekiti State.

5. Concluding Remark

The reasons for the new pension scheme's implementation were to remedy the flaws in the existing pension system, which resulted in underfunding and late pension payments to retirees when the new program was developed. However, the well-being of pensioners was the primary consideration. It therefore concludes that the nexus between the risk assessments of staff, the age of pensioners, and members' contributions fund are key performance of pension funds in Nigeria, referencing Ekiti State with the established strong nexus. The results indicate that administrative staff of PFAs were not subjected to criminal record checks before, during, and after their interview for employment, and when employed by the PFAs, such staff are permeated by peer groups to commit fraud. The study further establish that lengthier

period of contribution ensures sustainability of the pension fund through PFAs as lengthier period of contribution increases fund availability for investment though younger members contribute for a lengthier period compared to their older participants and this serves as a bonus to PFAs to cushion the effects of the payments for the elderly for life sustenance. In addition, early remittance of collected contributions from employers facilitates quick benefits processing and payments, which implies that a delay in remitting contributions as legally required hinders quick benefits payments.

According to the findings, the risk assessment of employees' and members' contributions has a greater correlation with pension performance though age of pensioners is also important, since the nexus was significant, this leads to the conclusion that the assets obtained by the pension plan convert into greater returns, implying that the investments from pension contributions accessible in the pension funds are utilised to create income for the participants' benefits.

To cap it all, it is recommended that the use of a functional finger biometric system be introduced to save pensioners the risk of travelling and signing of salary payment vouchers every time by mere thumb printing from their respective homes to establish that they are still alive.

A functional, dynamic supervision, review, and re-evaluation of the PFAs with a strong feedback mechanism for proper compliance with guidelines is to be put in place and strengthened.

The government should implement regulatory structures to ensure PFAs' compliance in order to restore Nigerians' faith in the system, particularly in the administration and simple payout of the pension when needed.

Strong penalties should await any government and private establishment that defaults in rendering PFs' returns of their employee to the appropriate PFAs on time.

It is also recommended that strong legislation should be promulgated to guide against the mismanagement of PFs of Nigerian employees by the PFAs.

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