Old Age, Disability, and Survivors

Regulatory Framework

First law: 1961 (provident fund).


Type of program: Social insurance system.

Coverage

Employees of firms with 5 or more workers.

Exclusions: Civil servants, diplomats, noncitizens covered by an equivalent program in another country, self-employed persons, and the clergy.

Voluntary coverage for some excluded categories of worker under specified conditions.

Special system for pensionable public-sector employees.

Source of Funds

Insured person: 3.5% of gross salary. (Gross salary includes basic salary and housing and transport allowances.)

Employer: 6.5% of gross salary. (Gross salary includes basic salary and housing and transport allowances.)

Government: None.

The maximum annual earnings for contribution and benefit purposes are 48,000 naira.

Qualifying Conditions

Old-age pension: Age 60 with 120 months of contributions. Retirement from regular employment is necessary.

Retirement grant: Age 60 with at least 12 months of contributions. Retirement from regular employment is necessary.

Disability pension: Permanently disabled with 36 months of contributions including 12 consecutive months.

Disability grant: Permanently disabled with at least 12 months of contributions.

Survivor pension: The insured person was eligible for the disability pension or old-age pension at the time of death.

Survivor grant: The insured person was eligible for the disability or retirement grant at the time of death.

Funeral grant: The insured person was receiving the disability or retirement pension or had 60 months of contributions.

Old-Age Benefits

Old-age pension: 30% of average monthly insurable earnings plus 1.5% of those earnings for each 12-month period of paid or credited contributions exceeding 120 months of contributions.

The minimum pension is 4,400 naira a month (80% of the national minimum wage).

The maximum pension is 65% of average monthly contributions.

Retirement grant: A lump sum equal to the final month’s contributions multiplied by the number of months of contributions.

Permanent Disability Benefits

Disability pension: 30% of average monthly insurable earnings increased by 1.5% for each 12-month period of contributions exceeding 36 months’ contributions up to age 60.

The minimum pension is 40% of final average contributions or 80% of the national minimum wage.

Disability grant: A lump sum equal to the month’s contributions immediately prior to the onset of disability multiplied by the number of months of contributions.

Survivor Benefits

Survivor pension: 100% of the insured’s pension. The pension is payable to a surviving spouse or to other dependent relatives.

Survivors grant: 100% of the insured’s retirement grant or disability grant.

Funeral grant: A lump sum of 2,000 naira.

Administrative Organization

Federal Ministry of Labor and Productivity provides general supervision.

Managed by a board of directors and a management committee, the Social Insurance Trust Fund administers the program.

Sickness and Maternity

Regulatory Framework

First and current law: 1961 (provident fund), not implemented.

Type of program: Provident fund system. Cash sickness benefit only.

The labor code requires employers to provide employees with 12 days of paid sick leave a year and to provide paid maternity leave at 50% of wages for 6 weeks before and 6 weeks after the expected date of childbirth.
**Coverage**

Employees of firms with 5 or more workers. (Not implemented.)
Exclusions: Casual workers, noncitizens covered by an equivalent program in another country, and self-employed persons. (Not implemented.)
Special system for public-sector employees.

**Workers’ Medical Benefits**

None. (Limited free medical care is available to the population via public dispensaries and hospitals.)

**Dependents’ Medical Benefits**

None. (Limited free medical care is available to the population via public dispensaries and hospitals.)

**Administrative Organization**

Federal Ministry of Labor and Productivity provides general supervision.

**Work Injury**

**Regulatory Framework**

First and current law: 1942 (workmen’s compensation), with 1957 and 1987 amendments.
Type of program: Employer liability system, normally involving insurance with a private carrier.

**Coverage**

Manual workers; nonmanual employees (including federal and state public-sector employees) earning 1,600 naira a year or less.
Exclusions: Agricultural or handicraft employees of commercial enterprises normally employing fewer than 10 workers, casual workers, and family workers.

**Source of Funds**

**Insured person:** None.

**Employer:** Total cost met through the direct provision of benefits or the payment of insurance premiums.

**Government:** None.

**Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period.

**Temporary Disability Benefits**

100% of salary for 6 months, 50% for next 3 months, and 25% for the following 15 months.