Nigeria

Exchange rate: US$1.00 = 182.90 naira.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1961 (provident fund).

Current law: 2014 (pensions).

Type of program: Mandatory individual account system.

Coverage

Federal public-sector employees, state and local government public-sector employees in the federal capital territory, and private-sector employees working in firms with at least 15 employees.

Voluntary coverage for private-sector employees working in firms with up to two employees and some excluded categories of workers under specified conditions.

Exclusions: Judges, diplomats, military personnel, noncitizens covered by an equivalent program in another country, self-employed persons, the clergy, private-sector employees working in firms with three to 14 workers.

Source of Funds

Insured person: 8% of gross salary.

Gross salary includes basic salary, housing allowances, and transportation allowances.

Additional voluntary contributions are possible.

There are no maximum earnings used to calculate contributions.

Self-employed person: Not applicable.

Employer: 10% of gross salary.

Gross salary includes basic salary, housing allowances, and transportation allowances.

There are no maximum earnings used to calculate contributions.

Government: 1% of total monthly wages for federal public-sector employees; subsidizes the guaranteed minimum pension.

Qualifying Conditions

Old-age pension: Age 50; employees in certain categories of employment may retire before age 50.

Early pension: A lump sum may be withdrawn if the insured is unemployed for at least four months.

Employment must cease.

A guaranteed minimum pension is paid.

The old-age pension is not payable abroad.

Disability pension: Must be assessed with an incapacity for work.

The disability may be reassessed every two years by the medical board or a qualified doctor at the insured's request.

The disability pension is not payable abroad.

Survivor pension: The deceased or person missing for at least a year and presumed dead received or was entitled to receive an old-age or disability pension.

Eligible survivors include the widow(er) and children or persons named by the deceased; if there is no surviving spouse or child, the pension is paid to the next-of-kin or the administrator of the deceased's estate.

The survivor pension is not payable abroad.

Old-Age Benefits

Old-age pension: The pension is based on the insured's account balance and the expected life span. At retirement, the insured may choose between an annuity or monthly or quarterly payments calculated based on life expectancy.

The insured can withdraw a partial lump sum from the individual account if the remaining balance is sufficient to purchase an annuity or to fund periodic payments.

The pension is paid monthly or quarterly.

Early pension: After a four-month waiting period, insured persons who become unemployed before age 50 may receive up to 25% of the account balance as a lump sum.

Guaranteed minimum pension: Set by the government on the recommendation of the National Pension Commission. The amount is yet to be determined.

Permanent Disability Benefits

Disability pension: The pension is based on the insured's account balance and the expected life span. At retirement, the insured may choose between an annuity or monthly or quarterly payments calculated based on life expectancy.

The insured can withdraw a partial lump sum from the individual account if the remaining balance is sufficient to purchase an annuity or to fund periodic payments.

Survivor Benefits

Survivor pension: At least three times the deceased's gross salary is paid to the deceased's individual account by a life insurance company contracted by the employer. The account balance is distributed to the deceased's eligible survivor(s).

Administrative Organization

Office of the Secretary to the Government of the Federation (http://www.osgf.gov.ng) provides general guidance and supervision.

National Pension Commission (http://www.pencom.gov.ng) regulates, supervises, and provides licenses to privately run pension fund administrators (PFAs).

Privately run PFAs administer individual accounts.

Trustfund Pensions Plc (http://www.trustfundpensions.com), overseen by a tripartite board, administers contributions paid previously to the Nigeria Social Insurance Trust Fund (NSITF). Trustfund Pensions Plc also functions as a PFA.

Sickness and Maternity

Regulatory Framework

First Law: 1971.

Current Laws: 1993 (labor code); and 1999 (health insurance).

Type of program: Employer-liability (cash maternity benefits) and social insurance (medical benefits) system.

Note: A National Health Act creating a social assistance health system providing a minimum package of health services was passed in 2014 but has not yet been implemented.

Coverage

Cash maternity benefits (employer liability): Employees working in the industrial, commercial or agricultural sectors.

Exclusions: Self-employed persons.

Medical benefits (social insurance): Employees.

Exclusions: Self-employed persons.

Source of Funds

Insured person

Cash maternity benefits (employer liability): None.

Medical benefits (social insurance): 5% of basic monthly salary.

Self-employed persons

Cash maternity benefits (employer liability): Not applicable.

Medical benefits (social insurance): Not applicable.

Employer

Cash maternity benefits (employer liability): The total cost.

Medical benefits (social insurance): 10% of basic monthly salary.

Government

Cash maternity benefits (employer liability): None.

Medical benefits (social insurance): None.

Qualifying Conditions

Cash sickness benefits: No statutory benefits are provided.

Cash maternity benefits (employer liability): Must be employed continuously for at least six months by the same employer and must provide a medical certificate.

Medical benefits (social insurance): Must be working in a private-sector firm with at least 10 employees. There are no minimum qualifying conditions for public sector workers.

Sickness and Maternity Benefits

Cash maternity benefits (employer liability): 50% of the insured's wages is paid for up to six weeks before and six weeks after the expected date of childbirth.

Workers' Medical Benefits

Medical benefits (social insurance): Benefits include specialist consultations, hospitalization of up to 15 days a year, ophthalmological services, preventive care, maternity care for up to four live births, medicines, preventive dental care and pain relief, and some prostheses.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Cash maternity benefits

The Federal Ministry for Employment, Labour and Productivity and labour departments of state and local governments provide general supervision.

Medical benefits

The Federal Ministry of Health (http://www.health.gov.ng) provides general supervision.

The National Health Insurance Scheme (http://www.nhis.gov.ng) administers the scheme.

Work Injury

Regulatory Framework

First law: 1942 (workmen's compensation).

Current law: 2010 (employees' compensation).

Type of program: Social insurance system.

Coverage

Employees in the public and private sectors, including the informal sector.

Exclusions: Military personnel.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: 1% of payroll for the first two years; may be increased thereafter according to the degree of risk.

Government: None; contributes as an employer.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

A lump sum is paid for a temporary disability lasting no longer than one year.

Permanent Disability Benefits

Permanent disability benefit: A monthly benefit of 90% of the employee's monthly earnings is paid for a total disability until the employee reaches age 55. If the employee is aged 55 or older when the disability began, the benefit is paid for two years from the date the disability began.

For a partial disability or disfigurement, a periodic benefit of 90% of the estimated loss of earning capacity is paid.

Work injury benefits are paid in addition to benefits under Old Age, Disability, and Survivors.

Rehabilitation for the injured worker and counseling services for the injured worker's dependents are provided where possible.

Workers' Medical Benefits

Medical benefits: Benefits include medical care, hospitalization, medicine, surgery, appliances, transportation, and a daily subsistence allowance.

Survivor Benefits

Spouse's benefit: A monthly benefit of 30% to 90% of the deceased's total monthly earnings is paid to the widow(er) according to the number of full orphans.

Administrative Organization

Nigeria Social Insurance Trust Fund (http://www.nsitf.gov.ng/) administers the program.