

Nigeria

Exchange rate: US\$1.00 = 304.2 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, and 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 payroll.

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

There are no maximum earnings used to calculate contributions.

Government: 1% of 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: Younger than age 50 and unemployed for at least four months.

Employment must cease.

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 received or was entitled to receive an old-age or disability pension at the time of death. The pension is also paid if the insured is missing for at least a year and presumed dead.

Eligible survivors include a widow(er), children, or persons named by the deceased; if there is no widow(er), child, or person named by the deceased, 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 calculated based on the insured's account balance and life expectancy. At retirement, the insured may choose between an annuity and periodic (monthly or quarterly) payments.

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.

Early pension: A lump sum of up to 25% of the insured's account balance may be paid.

A guaranteed minimum may be set by the government on the recommendation of the National Pension Commission. The amount has not yet been determined.

Permanent Disability Benefits

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

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 pension fund administrators (PFAs) administer the individual accounts.

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

Sickness and Maternity

Regulatory Framework

First and current laws: 1971 (labor code) and 1999 (health insurance).

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

Note: A National Health Act creating a social assistance health system providing a minimum package of health services was passed in 2014. No information is available on its implementation.

Coverage

Social insurance: Public-sector employees and private-sector employees of firms with at least 10 employees.

Special voluntary systems for employers with nine or fewer employees, self-employed persons, pensioners, foreigners living in Nigeria, persons with a disability, prisoners, students, and certain informal-sector workers.

Employer liability: Employees working in the industrial, commercial, or agricultural sectors.

Exclusions: Self-employed persons.

Source of Funds

Insured person

Social insurance: 5% of monthly basic salary; 1.75% for federal public-sector employees.

Employer liability: None.

Self-employed persons

Social insurance: Not applicable.

Employer liability: Not applicable.

Employer

Social insurance: 10% of monthly basic payroll; 3.5% for federal public-sector employees.

Employer liability: The total cost.

Government

Social insurance: None; contributes as an employer.

Employer liability: 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 provide a medical certificate.

Medical benefits (social insurance): There are no minimum qualifying conditions for public-sector workers.

Eligible dependents include a spouse and up to four children younger than age 18.

Sickness and Maternity Benefits

Maternity benefit (employer liability): 50% of the employee'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, hospitalizations for up to 15 days a year, ophthalmological services, preventive care, maternity care for up to four live births, medicine, preventive dental care and pain relief, and some prostheses. Benefits are provided after a 90-day waiting period.

Dependents' Medical Benefits

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

Administrative Organization

Federal Ministry for Employment, Labour, and Productivity and labor departments of state and local governments provide general supervision of cash maternity benefits.

Federal Ministry of Health (<http://www.health.gov.ng/>) provides general supervision of medical benefits.

National Health Insurance Scheme (<https://www.nhis.gov.ng/>) administers medical benefits.

Work Injury

Regulatory Framework

First law: 1942 (workmen's compensation).

Current law: 2010 (employees' compensation).

Type of program: Social insurance system.

Coverage

Public- and private-sector employees.

Exclusions: Military personnel.

NOTE: Coverage of self-employed persons and informal-sector workers has not been implemented.

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

There is no minimum qualifying period.

Temporary Disability Benefits

A lump sum is paid for a temporary disability lasting up to one year.

Permanent Disability Benefits

Permanent disability benefit: 90% of insured's monthly earnings is paid monthly for a total disability until the insured reaches age 55. If the insured 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

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

Survivor Benefits

30% to 90% of the deceased's total monthly earnings is paid monthly to the widow(er) or full orphan according to the age of the widow(er) and the number of orphans.

Administrative Organization

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

Unemployment

Regulatory Framework

The 2014 Pensions Reform Act allows employees to withdraw up to 25% of their individual account balance in case of unemployment. See early pension under Old Age, Disability, and Survivors.