

THE IMPACT OF DELAYED IN FIRST PENSION PAYMENT ON THE LIFESTYLE OF LOCAL GOVERNMENT RETIREES IN BENIN CITY

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ABSTRACT

The initial design of pension scheme was to ensure after retirement, retired old persons meet their basic need like food, accommodation and health care. This study identifies the impact of first pension payment and its role of pension in the lifestyle and wellbeing of the elderly who are retirees required evaluation. The general objective of this study was to assess the impact of first pension payment on the lifestyle of local government retirees in Benin City. The study is aim at determining the effect of first pension payment on the lifestyle on pensioners of Local Government retirees in Benin City and to examine the impact of delay in the payment of first pension on the feeding patterns of Local Government retirees in Benin City. The cross-sectional study design was adopted to collect data from 332 local government retirees with the aid of semi-structured questionnaire. Data were analysed with tables, percentages, charts; and formulated hypotheses were tested with the chi-square inferential statistical technique. Therefore, 75 percent of the respondents subscribed to the perception that the inadequacy and delay in the payment of pension was affecting their feeding. It was also found that there is a statistically significant relationship between pension and the wellbeing of local government retirees ($p\text{-value} = 0.00 < 0.05$); and there is statistical significance between delays in the payment of first pension feeding patterns of local government retirees ($p\text{-value} = 0.00 < 0.05$). Consequently, all stakeholders are to ensure an enjoyable post-retirement life for local government retirees by seeing to the increase of regular payment of pension and seeing to the establishment of retirees cooperative society that will cater for their unique socio-economic needs.

KEYWORD: *Socio-economic, Pension, Perception, Retirees*

INTRODUCTION

Pension scheme is a form of social security offered by the government against old age poverty in Nigeria. Social security refers to the action programs of government intended to promote the welfare of the population through assistant measures guaranteeing access to sufficient resources for food and shelter and to promote health and wellbeing for the

population at large and potentially vulnerable segments such as children, the elderly, the sick and the unemployed (Badat *et al.*, 2014).

The definition of the elderly is controversial, persons with a chronological age of 60 years and above can be refer to as the elderly, this age is equivalent to retirement age which can be regarded as the beginning of old age

(WHO, 2013). The United Nations at its First World Assembly on Ageing chose 60 years as the beginning point of old age (Ezema and Ugwuanyi, 2014). In Nigeria, the retirement age is 60 years – or after 35 years in service (Oyedele, 2013), the adopted age for this study is 60 years and above. Old people often have limited regenerative abilities and are more susceptible to disease and sickness than younger adults (Singh and Gaur, 2014).

Retirement exposes retirees to a sharp reduction in income and age discrimination limits their ability to secure additional work (Olatomide and Christopher, 2015). Retirees' wellbeing outcomes (psychological, physical, economic, social) after retirement is of great concern, they look forward to a good or satisfactory retirement characterized by good health, happiness, and prosperity. The wellbeing variables that are very vital to everyone including the aged are good food (balanced diet), good housing, good health, sufficient income, social ties, good clothing etc these are essential in the lives of retirees (Nweke, 2015).

Objective of this Study

To examine the impact of delay in the payment of first pension on the feeding patterns of Local Government retirees in Benin City.

Research Question

What is the impact of the delay in the payment of first pension on their lifestyle and feeding patterns of Local Government retirees in Benin City?

Research Hypotheses

There is no relationship between delay in the payment of first pension and feeding patterns of Local Government retirees in Benin City.

LITERATURE REVIEW

Pension is very essential in the care of the elderly; it is a means of meeting their financial needs, which most times ease the burden on the immediate members of their families who gives moral, financial and physical support. Most elderly who retired from jobs with pension scheme relieve their relatives of absolutely depending on them ((Abdulazeez, 2014; Anazodo *et al.*, 2014; Iyortsuun and Akpusugh, 2013).

The pension reform was set up for several objectives i.e. to assist individuals by ensuring that they save to cater for their livelihood during old age and thereby reducing old age poverty, to ensure that pensioners are not subjected to untold suffering due to inefficient and cumbersome processes of pension payment etc, (Oyedele, 2013). The Pension Reform Act 2004 establishes the National Pension Commission (PenCom) as a body corporate with perpetual succession and a common seal and may sue or be sued. Its principal objective was to regulate, supervise and ensure the effective administration of pension matters in Nigeria (Abdulazeez, 2014; Anazodo *et al.*, 2014; Iyortsuun and Akpusugh, 2013).

The Pension Reform Act, 2014, establishing the Uniform Contributory Pension Scheme for public and private sectors was signed into law on 1 July 2014 by President Goodluck Jonathan to repeal the Pension Reform Act No. 2 of 2004 (repealed Act). The Pension Reform Act 2014 reviewed upwards, the minimum rate of Pension Contribution from 15% to 18% of monthly emolument, where 8% will be contributed by employee and 10% by the employer. This will provide additional benefits to workers' Retirement Savings Accounts and thereby enhance their monthly pension benefits at retirement.

The rationale for the Reform according to Ahmad 2016 were that most public sector schemes were unfunded, there was unsustainable pension liabilities, weak and inefficient administration of schemes in both public and private sectors, demographic shifts and ageing make defined benefits schemes unsustainable, many workers in the private sector were not covered by any form of retirement benefits arrangement, there was existence of diversified arrangements which were largely unregulated in the private sector. While the objectives of the Pension Reform were to ensure that every person who has worked in either the public or private sector receives his retirement benefits as and when due; Assist improvident individuals by ensuring that they save to cater for their livelihood during old age; Establish a uniform set of rules and regulations for the administration and payment of retirement benefits in both the public and private sectors; and Stem the growth of outstanding pension liabilities (Ahmad, 2016).

In Nigeria, the available social service for the aged is the pension scheme which is meant for those who were engaged in formal work or public service. Most retirees are not able to cater for their wellbeing after retirement due to the non-payment of their monthly pension, Akenbor and Onuoha (2015) assessed the 2004 Pension Reform Scheme in Nigeria with a view to determine the impact of the Scheme on Gross Domestic Product (GDP) and the welfare of employees in public service. Their findings revealed that the 2004 pension reform scheme had a significant impact on GDP via pension fund assets and insignificant effect on employees' welfare.

Old age is respected and seen as a treasure though healthy old age have not been attained in Nigeria because several health-related variables such as inadequate health facilities, poor nutrition, growing increase in preventable diseases among others contribute in many ways in the low life expectancy and unhealthy ageing (Nweke 2015).

Globally, governments, institutions, and organizations prioritize promoting longevity and addressing health needs across all ages. In some African countries, this focus has led to initiatives providing free medical services aimed at enhancing and maintaining citizens' well-being, including tailored nutrition programs for the elderly to support their unique feeding patterns and dietary requirements, ensuring optimal health and quality of life in their golden years (Ezema and Ugwuanyi, 2014).

Nweke (2015) highlights that retirees often face challenges in adjusting to new living arrangements, particularly when downsizing from previously occupied government quarters or rented accommodations. This transition can be daunting, as it not only affects their housing situation but also necessitates changes in their feeding patterns, as reduced income may limit their ability to maintain previous dietary habits, leading to potential difficulties in accessing nutritious food and adapting to new culinary routines.

Study Area

The study area is Benin City, capital of Edo State in Nigeria's south-south geopolitical zone. Benin City has a rich history, cultural significance, and economic importance as the centre of Nigeria's rubber industry. The city has a population of approximately 1,147,188

(2006 census), with a median age of 22.4 years and a population density of 870 people per square kilometre. The indigenous people are the Edo (Bini) people. The study area comprises three Local Government Areas: Oredo, Egor, and Ikpoba-Okha. Benin City is located at 6.3382° N latitude and 5.6258° E longitude, approximately 40 km north of the Benin River and 320 km east of Lagos.

METHODOLOGY

The cross-sectional study design was adopted; this was based on number of contact and the study population. This design was useful in obtaining an overall picture as it stands at the time of the study. Survey method was adopted for data collection thus making this research work a cross-sectional survey that involve the collection of data at a single point in time from a sample drawn from the target population.

Study Population

The population of this study was the total number of Local Government staff

retirees in Oredo, Egor and Ikpoba-Okha that are in the Local Government Staff Pension Board payroll as at April, 2016. The total number of retirees in Oredo, Egor and Ikpoba-Okha as at April, 2016 were 1450, 532 and 408 respectively (Local Government Staff Pension Board, 2016). This formed the target population. The population of this study was 2390 Local Government staff pensioners from the three Local Government Area in Benin City.

Sample Size and Sampling Design

The sample size of this research work was drawn from the sampling frame which includes total number (2390) of Local Government staff pensioners in the Local Government that are in Benin City, this is presented in table 1, below. Population size 2390, the sample size was 332; this was obtained by using a margin error of 4.99% and a confidence level 95% (Krejcie and Morgan, 1970). 332 structured questionnaires were administered in the three Local Government Areas.

Table 1: Sample frame

S/N	Local Government Area	Questionnaires	Percentage
1	Oredo	200	60.6% of 1450
2	Egor	74	22.3% of 532
3	Ikpoba-Okha	58	17.1% of 408
	Total	332	100%

Therefore, the sample size were **200** (60.6% of retirees in Oredo Local Government), **74** (22.3% of retirees in Egor Local Government) and **58** (17.1% of retirees in Ikoba-Okha Local Government) making a total of **332** (sample size).

This study adopted convenience sampling technique; this method relies on data collection from population of members who are conveniently available to participate in the study. The reason for

the choice of convenience sampling technique was because the study population (Local Government staff pensioners) are members of pensioners' union, retirees attend union meetings monthly in Benin City. Also the respondents that were administered questionnaire during the union meetings were those present and readily available to participate in this research work.

Data Collection

The instrument for data collection was structured questionnaire. The questionnaire was well structured to elicit required response from the respondents. The questionnaire was administered by hand to the respondent and was made up of two sections, the first was the socio-demographic characteristic of the intended respondents, and the second section was on the impact of pension scheme on local government retiree’s wellbeing. The questionnaire was well developed and structured to elicit the responses that reflected the objectives of this research work.

This research work made use of two sources of data collection (primary and secondary data). The main source of data collection was the primary method of data collection through the use of questionnaire (quantitative method of data collection). The secondary data was used in sourcing for literature related to the study from journals of social sciences, pension board archives, online articles and materials etc.

Data Analysis

The method of data analysis that was adopted was in line with relevant

sociological research statistics. Data were presented in tabular form, variables were generated which were analyzed using frequency and percentages. The chi-square inferential statistical technique was used to test the relationship between variables in the formulated hypotheses. The benchmark used for deciding significant statistical relationship or not, between variables was p-value of 0.05. The quantitative data were coded and analyzed using Statistical Packages for Social Sciences (SPSS).

RESULTS AND DISCUSSION

The presentation and analysis of data collected for the attainment of the objectives of this present study, as well as their analyses. Specifically, this presented in table 2 below, respondents; the effect of pension on the wellbeing of local government retirees; the effect of the pension scheme on the health care needs of Local Government retirees; the impact of delay in the payment of first pension on the feeding patterns of Local Government retirees; and testing of hypotheses.

Table 2: Socio-demographic characteristics of respondents

Variables	Frequencies (n= 332)	Percentages	Cumulative Percentages
Gender			
Male	234	70.5	
Female	98	29.5	
Age Groups			
50 – 59 years	13	3.9	3.9
60 – 69 years	175	52.7	56.6
70 – 79 years	58	17.5	74.1
80 – 89 years	82	24.7	98.8
90 years and above	4	1.2	100.0
Marital Status			
Never married	17	5.1	
Married	275	82.8	
Divorced	4	1.2	

Widow/Widower	36	10.8
Highest Educational Qualification		
University degree	146	44.0
Diploma/NCE/A-Level	146	44.0
Secondary school certificate	16	4.8
Primary school certificate	16	4.8
None	8	2.4
Religion		
Christianity	319	96.1
Islam	5	1.5
African Traditional Religion	4	1.2
Others	4	1.2
Level at Retirement		
Senior staff	296	89.2
Junior staff	32	9.6
Contract staff	4	1.2

Among the respondents of this study, there were more males than females, as the male respondents were in the majority with 70.5 percent, and the females were 29.5 percent (Table 2). Reasons for the preponderance of male over female among the local government retirees who constituted the population of the study could be attributed to the fact that during the era which these persons got employed into the local government service males were then highly regarded as the bread winners of their families hence more males were seeking for employment over thirty years ago in Nigeria. An implication of this finding in which males constituted the majority of retirees, is that the number of families or homes affected, positively or adversely, by the pension scheme will be more, since most families in Nigeria still depend on the male parent as major bread winners.

Table 2 indicates that a majority, representing 52.7 percent of the respondents, were in the 60 – 69 years age group. This set of respondents was followed by the set of respondents who were within the 80 – 89 years age group with 24.7 percent. The 90 years and above

age group had the least percentage of respondents with 1.2 percent. Cumulatively, an overwhelming majority (70.2 percent) of the respondents were between 60 years and 79 years. Reason behind this discovery is not far-fetched as the retirement age adopted for this study in the local government service is 60 years. However, an implication of this finding is that majority of retirees are usually aged persons who are not too physically strong to engage in meaningful economic activities, hence need viable pension to survive averagely till death comes.

Impact Of Delay In The Payment Of First Pension On The Feeding Pattern Of Local Government Retirees

Good food (balanced diet) is essential in the lives of everyone especially the aged or retirees. The values attached to the aged made the society to respect them, embrace and willingly care for them. Families not only provide care, but good food, shelter, advice and assistance on health care, clothing and others without any form of compensation (Wahab and Anigboro, 2013).

Nutrition deserves special attention as people grow older and good nutrition is

essential for good health. Older adult need to maintain a healthy body weight by eating well and by doing daily physical activity, they need to eat three meals every day by including a variety of nutritious foods from each of the four major food groups each day, eat plenty of vegetables and fruit, eat plenty of breads and cereals,

preferably wholegrain, have milk and milk products in their diet, eat food that are low in fat and salt, eat lean meat, poultry, seafood, eggs, nuts, seeds, drink plenty of liquids each day, especially water (The New Zealand Food and Nutrition Guideline, 2013).

Table 3: Accessing Pension

Variables	Frequencies (n= 332)	Percentages	Cumulative Percentages
Retirees have challenges in accessing their pension fund			
Strongly agree	151	45.5	45.5
Agree	107	32.2	77.7
Neutral	29	8.7	86.4
Disagree	17	5.1	91.6
Strongly disagree	28	8.4	100.0
Total	332	100.0	
There was delay in getting first month pension			
Yes	292	88.0	
No	40	12.0	
Total	332	100.0	

For most retirees, pension is the main source of monthly income; but how regular it comes needs to be accessed. It is in this wise that the respondents were asked if they had been experiencing challenges in accessing their monthly pension fund. Hence, Table 3 indicates that a cumulative percentage (77.7 percent) representing a majority of the respondents expressed all forms of agreement in response to the belief that local government retirees had challenges in accessing their pension fund. However, a cumulative percentage of 13.5 percent of the respondents expressed all forms of disagreement with the notion that retirees have challenges in accessing their pension funds; in other words this category of

respondents admitted that retirees were not facing difficulty in accessing their monthly pension pay. On the other hand, 8.7 percent of the respondents were undecided on this notion. An implication of this finding is that local government retirees are not having their monthly pension pay as at when they need it to meet their daily expenses especially feeding; hence monthly pension payment is not coming regularly or it is delayed.

Since the previous study has established the fact that local government retirees are encountering delay in accessing their monthly pension, if the first ever monthly pension was delayed as well needed to be ascertained. Along this motive, Figure 1, contain data that

indicated that the first monthly pension payment of 88 percent of the respondents received did not come on time. On the other hand, 12 percent of the respondents admitted that their first monthly pension was not delayed. This suggests that the

payment of pension whether the first or subsequent payments has been characterized with delays which by extension could translate into financial incapacity of the local government retirees.

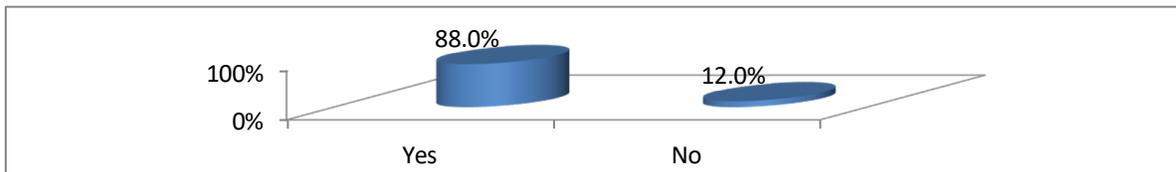


Fig. 1: Bar chart showing responses on delay in getting first month pension

Table 4: Perception of regularity of pension payment

Variables	Frequencies (n= 332)	Percentages	Cumulative Percentages
Pensioners receive their pension payment as at when due			
Strongly agree	30	9.0	9.0
Agree	24	7.2	16.3
Neutral	20	6.0	22.3
Disagree	120	36.1	58.4
Strongly disagree	138	41.6	100.0
Total	332	100.0	

Similarly, Table 4 and figure 2 show that pensioners were not receiving their pension payment as at when due. This was attested to by cumulative percent of 77.7 percent of the respondents which translated to a majority of the respondents. While 22.3 percent of the respondents took a neutral stand on this notion; a cumulative percentage of 16.3 percent of the

respondents admitted that pensioners were receiving their pension payment as at when due. The majority position of the respondents implies that local government retirees are more often than not cash strap as a result of the delay they might be experiencing in their monthly pension payment.

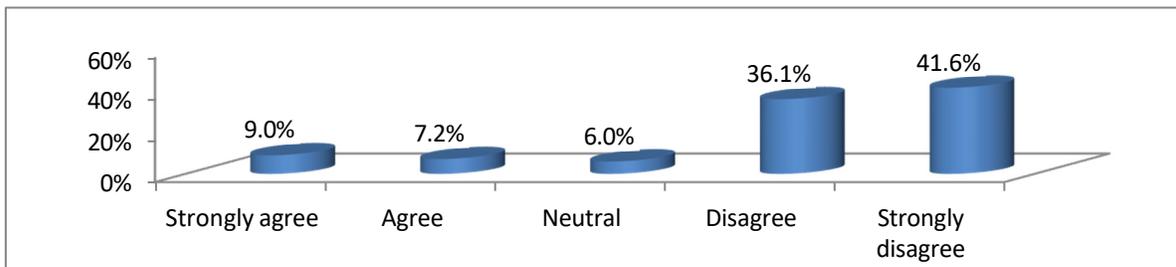


Fig. 2: Bar chart showing responses on the perception that pensioners receive their pension payment as at when due

Table 5: Rate of delay in accessing pension

Variables	Frequencies (n= 332)	Percentages	Cumulative Percentages
Duration of first pension fund payment after retirement			
Before 6 months	44	13.3	13.3
After 6 months	75	22.6	35.8
One year	49	14.8	50.6
Above one year	108	32.5	83.1
Expecting payment	56	16.9	100.0
Total	332	100.0	

Local government retirees face delays in receiving their monthly pension payments, including their first payment. Data shows that 32.5 percent waited over a year for their first payment, 35.8 percent waited less than a year, and 16.9 percent are still waiting. This delay affects their retirement start, and most retirees are dissatisfied with their feeding due to inadequate and delayed pension payments. Despite reforms and new laws, retirees' complaints persist, highlighting the need for improved pension payment systems (Ukwu *et al.*, 2023).

CONCLUSION

This study has shown the impact of the first pension payment has serious impact on the lifestyle and living conditions on the of Local Government retirees in Benin City, Edo State. It has exposed that retirees are affected by their first payment and their ability to meet basic needs using their monthly pension. It has established that the extent to which retirees are able to meet their health care need and the impact the delay of first pension fund payment have on retirees feeding patterns. The findings of this study were summarized and analyzed, based on the findings; conclusions were reached, and recommendations made on how to ensure

prompt payment of pension to retirees to enhance their wellbeing.

RECOMMENDATIONS

Based on the conclusion which evolved from the findings, the following recommendations are made.

1. All concerned stakeholders should put adequate preparation in place to ensure the prompt payment of gratuity to local government retirees. This empowers them to execute investment plan, if any, that will put them in better financial state.
2. The intending retirees in the Local Government should be enlightened on the process of transition into retirement, especially when to start processing their retirement while still in service to enable their names to be listed in the Local Government Staff Pension Board to avoid delayed gratuity and monthly pension payment.
3. Since the new pension scheme (the Uniform Contributory Pension Scheme) involves employee and employer contributions while still in service, the 2014 Pension Reform Act should be adopted in the Local Government Staff Pension Board administration. Accordingly, a

dedicated Pension Fund Administrator and a reliable Pension Fund Custodian should be engaged to manage local government pension and also to ensure prompt payment of pension to retirees.

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