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A PANACEA TO ECONOMIC STABILITY
DURING PANDEMIC**

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WORKER'S ACCEPTABILITY OF CONTRIBUTORY PENSION SCHEME AT FEDERAL COLLEGE OF EDUCATION (SPECIAL), OYO

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Abstract

This paper x-rays the acceptability of the staff of the Federal College of Education (special), Oyo of the contributory pension scheme administration. The research instrument used in data collection were structured questionnaire. A sample size of 100 made up of both the academic and the non – academic staff were selected from the total population. The research finding revealed the total acceptance of the staff to contributory pension scheme. It was recommended that the contributory pension scheme should be extended to the other categories of workers aside the federal workers.

Key words: Workers, Acceptability, contributory pension scheme, pandemic

Introduction

If we must significantly reduce poverty and enhance the socio-economic conditions of Nigerians, the social security of the citizens needs to be improved upon. The Contributory Pension Scheme (CPS) was enacted for this cause and in the long run, for economic growth. The Contributory Pension Scheme (CPS) which commenced in Nigeria in July 2004 was created to assist workers to save in order to cater for their livelihood. During old age, employees save towards retirement, receive their retirement benefits and establish a string regulatory and supervisory framework. Before the adoption of the contributory pension schemes, there existed other pension schemes like the “Defined Benefit Scheme (DBS)”. Among reported weaknesses of the old pension scheme include unsustainable pension liabilities, weak and inefficient administration of the scheme – both the public and the private sectors; as well as the existence of diversified arrangement which were largely unregulated in the private sector. www.leadway-pcnsreiAj. Unlike the aid pension scheme(s), where most of the accounts were not fully funded and there were no ready funds to pay the pensioners, the contributory pension scheme is fully funded and provides for the contributor account for his own self-security. As the name implies, the pension scheme is contributory in nature. This means that the employer is expected to contribute a minimum of 10% of the employee’s monthly enrolment/sum of the basic salary, transport and housing allowances while the employee contributes a minimum of 8%, making a total of 18% pension contributions. This contribution is based on the company’s salary structure and the employee’s income earned on the contributions. It is contributed to the individual employee’s Retirement Savings Account(RSA) and is accessible as benefit when he/she retires except for special cases such as loss of job for minimum of 4 months, contributor’s death etc. (Aibieyi, 2009)

An interesting point to know is that the contributions are invested to grow as you work and then provide you with steady income in retirement. The benefits accrued are based on the amount contributed between the employer and the employee into his/her RSA which is invested in FGN securities, Money Market Securities and other investment vehicles to the benefit of the employee. (Abimboye, D and Obasi, 2012).

During pandemic, the Federal College of Education (Special) Oyo as a case study, the deadly corona virus, otherwise known as Covid 19 which threatens the entire human race needs more attention. It is not just a health problem but also a serious economic challenge. Its devastating effects cut across all spheres of human life. There was massive job losses as about 42% of the citizens were reported to have lost their jobs as a result as a result of Covid 19 pandemic (Adetoro, 2020, citing TVC News Nigeria. Corroborating the above assertion, Bello (2020) states that in the Covid 19 pandemic era, most family businesses, trader and economic engagements are affected due to lockdown, whether partial or full.

In view of the above, this study to evaluate workers' acceptability on contributory pension scheme becomes imperative as it will fill the lacuna of knowledge in the study of the administration of the new Pension fund in Nigeria using the following objectives:

- i. To know whether contributory pension is being deducted during pandemic
- ii. To highlight the strengths and weakness of the contributory pension scheme
- iii. To examine the perception of workers of the Federal College of Education (special), Oyo of the contributory pension scheme
- iv. To adduce reasons for the workers' perception of contributory pension scheme

Methodology

Research Design: The research design of this study is a survey based on the use of structured questionnaire, which has no control over that variable from which the opinions of the respondents are elicited. Hypotheses to be tested empirically and conclusion can be generalised from the entire sample used for the study.

Population of the Study: The population of this study consists of the pensionable staff members of the federal college of education (special), Oyo (Academic & non -academic) an estimated population of 100 staff.

Sampling Technique: A total of 50 respondents, were selected from the academic staff which amounted to 50% while the non-academic staff (NASU & SUCCOEN) consists of 50 %. Questionnaires were administered on the selected respondents.

Method of Data Collection: the data for the study was by the administration of the questionnaire. The questionnaire was in two parts – part one requested the demographic information about the respondent while the second part comprised close and open ended questions.

Method of Data analysis: Data from the study were analysed with simple percentage

Presentation and analysis of data

Table 1: Distribution of respondents on validity of justification for adoption on contributory pension scheme

Variables	Academics	Non – Academics	Percentage
Yes	50	50	100
No	00	00	00
TOTAL	50	50	100

Source: Researcher's Survey, 2020

Table 1 reveals that all the respondents (100%) stated that based on the challenges of the old pension scheme (e.g lie, delayed payment of gratuity, bribery before getting the money paid etc.) the federal Government's adoption of the contribution pension scheme is acceptable. The implication of this is that workers are unanimous in believing in the sincerity of the federal Government introduction and implementation of the contribution pension scheme.

Table 2: Distribution of respondent on certainty of collection of pension after retirement

Variables	Academics	Non – Academics	Total
Yes	48 48%	46 46%	94%
NO	02 02%	04 4%	6%
Total	50	50	100

Source: Researcher's survey, 2020

Table 2 displays that 94% of the respondents stated that they are confident that their pension will be ready and available for collection at their retirement under the current contributory pension scheme while only 6% of the respondents stated that they are not sure that it will be ready and admirable for collection at their retirement under the current policy. This shows that most of the workers under the current contributory pension scheme are actually confident of easy and prompt collection of their gratuities and pension at retirement. The same confidence can hardly be said about the old pension schemes.

Table 3: Distribution of responses on whether contributory pension deduction continues during pandemic lockdown

Variables	Academics	Non – Academics	Total
Yes	48 48%	50 50%	98%
NO	02 02%	00 0%	02%
Total	50	50	100

Source: Researcher's survey, 2020

Table 3 displays that 98% of the respondents stated that they deduction of contributory pension scheme continued during the Covid 19 lockdown while only 2% of the respondents disagreed on this point. This finding shows that the pandemic lockdown did not affect administration of contributory pension deduction and that gratuity and pension could actually be processed despite the pandemic lockdown.

Table 4: Distribution of respondents on whether contributory pension scheme is practically better in terms of security of funds

Variable	Academics	Non - Academics	Total
Yes	50 50%	50 50%	100%
No	00	00	00
Total	50	50	100%

Source: Researcher's survey, 2020

Table 4 reveals that all the respondents (100%) stated that the contributory pension scheme is practically better in terms of security of funds of workers/pensioners than the old Non – contributory pension scheme and no respondents stated that the old Non – Contributory pension scheme is better in terms of security of funds of workers than the contributory pension scheme. Again, this is a unanimous submission and it emphasises the confidences and the levels of acceptability – which the workers in the study area held the contributory pension scheme.

Table 5: Distribution of respondents on whether the contributory pension scheme offers better promptness or effectiveness in the payment of funds

Variable	Academics	Non – Academics	Total
Yes	50 50%	50 50%	100%
No	00	00	00
Total	50	50	100%

Source: Researcher's survey, 2020

Table 5 reveals that all respondents (100%) stated that the contributory pension scheme offers better promptness or effectiveness in the payment of funds that the old Non – Contributory pension scheme. Again, this is an indication of absolute acceptance of the contributory pension scheme among the workers of Federal College of Education (special) Oyo

Table 6: Distribution of respondents on whether the contributory pension scheme serves the workers interests better than the other schemes



Variable	Academics	Non – Academics	Total
Yes	50 50%	50 50%	100%
No	-	-	-
Total	50	50	100

Source: Researcher's survey, 2020

Table 6 reveals that all the respondents (100%) stated that they accepted and preferred the contributory pension scheme to the old Non- Contributory pension scheme and no respondents stated that they preferred the old Non – Contributory pension scheme to contributory pension scheme .

Conclusion

During the course of this study, it was discovered that the workers of the Federal College of Education (special) Oyo accepted the contributory pension scheme. In view of this various reviews and analyses were carried out and the following conclusions were drawn: workers of the Federal College of Education (Special), Oyo largely opine that the contributory pension scheme is practically better in terms of security of funds, confidence in its prompt payment at retirement and its better administration

Recommendations.

Based on the findings, the following recommendations were made: Labour Unions at state and Local Government level should strive to influence their employers to implement the New Contributory Pension Scheme as it has been found that the workers at the Federal Government Service prefer and accept the scheme. This will bring about easy and prompt collection of gratuity and pension of their members at retirement. Moreover, private pension funds administrations should embark of public enlightenment campaign are lobbying state and local government to implement the contributory pension scheme.

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