



HOUSE OF REPRESENTATIVES FEDERAL REPUBLIC OF NIGERIA

VOTES AND PROCEEDINGS

Tuesday, 4 May, 2004

1. The House met at 11.13 a.m. Mr Speaker read Prayers.
2. **Votes and Proceedings:**
Mr Speaker announced that he had examined and approved the Votes and Proceedings of Thursday, 29 April, 2004.
By unanimous consent, the Votes and Proceedings were adopted.
3. **Petitions:**
 - (i) **Termination of Appointment: Chief Mark N. Nlewem:**
Hon. C. Macebuh presented a petition on behalf of Chief Mark N. Nlewem, a former employee of NDDC, Abia State. The petitioner claimed that he was unlawfully dismissed from the Service of Niger Delta Development Commission in July 2001 by Mr Timi Alaibe, Executive Director, Finance and Administration, and prayed the House to prevail on the Management of the Commission to reinstate him.
 - (ii) **Dismissal from the Nigeria Immigration Service: Mr Abimbola I. O.:**
Hon. Taofeek O. Arapaja presented a petition on behalf of Mr Abimbola I. O., a former Assistant Superintendent of Immigration. The petitioner alleged that in June 1996, he was dismissed by the Nigeria Immigration and Prison Services Board on a false allegation of theft of a generating set and prayed the House to intervene with a view to re-instating him.
Petition referred to the Committee on Public Petitions.
4. **Matter of Urgent Public Importance:**
Invoking Order VIII, Rule 4 (1), Hon. Ahmed M. Salik invited the attention of the House to what he described as a violent breach of the Constitutional rights to peaceful assembly and association and to freedom movement of a group of Nigerians on Monday, 3 May, 2004 by men of the Nigeria Police. He urged the House to debate the alleged Constitutional breach as a matter of urgent public importance.
Question, that the matter be debated, put and agreed to.
Matter to stand over till the next Legislative Day (Order VIII, Rule 4 (3)).
5. **Presentation of a Bill:**
Electoral Act, 2002 (Amendment) Bill, 2004 (SB.63) — *Read First Time.*
6. **Consideration of Report:**
Ad-hoc Committee on Pension Reforms:
Motion made and Question proposed, "That this House do resume consideration of the Report of the Ad-hoc Committee on Pension Reforms on the Bill for an Act to Repeal the Pensions Act, 1990 and to Establish

Clause 3: Statutory retirement from service.

- (1) Every officer in the public service of the federation shall retire on attaining the age of sixty years or after thirty-five years of service, whichever comes earlier.
- (2) The Committee created in Section 26 of this Act having responsibility for the payment of an officer's retirement benefits shall at least 12 months prior to an officer attaining the age of sixty years or, as the case may be, thirty-five years of service shall by letter inform the officer of the fact that he has not more than 12 months to retire from the service and request him to regularise the documentation necessary for the processing of his retirement benefits.
- (3) The letter referred to in Subsection (2) of this section shall contain the list of documentation and other information required from the affected officer.
- (4) An officer shall give formal notice of his intention to retire from the public service three months before he attains the age of sixty years or thirty-five years of service, whichever comes earlier and shall be deemed to have retired with effect from the date he attained the age of sixty years or thirty-five years of service.
- (5) The notice referred to in Subsection (4) of this section shall state compliance with all documentation and information requirements for the processing of his retirement benefits.
- (6) The Committee shall within 30 days of receipt of the notice of intention to retire acknowledge receipt and certify whether or not there has been full compliance with documentation and information requirement for the processing of the officer's retirement benefits.
- (7) Where there has been no full compliance with the documentation and information requirements, acknowledgement of receipt referred to in Subsection (6) of this section shall stipulate what documentation and information requirements still outstanding with a request to the officer concerned to rectify the situation.
- (8) The Committee shall, no later than 90 days from an officer's date of retirement or the date of full compliance with documentation and information requirements, effect the payment of the officer's retirement benefit entitlements as provided for under this Act (Hon. Abubakar Momoh) — Agreed to.

Question that the provisions in Clause 3 stand part of the Bill, put and agreed to.

Committee Recommendation:

Leave out all the words in Clause 4 of the original Bill and insert the following instead thereof:

Clause 4: Computation of Retirement Benefits. Schedule, Table A.

Subject to the provisions of this Act, payment of pension and gratuity to any officer retiring from the public service of the federation shall be computed—

- (a) on the total annual emolument of the retiree; and
- (b) in accordance with Table A of the Schedule to this Act (Hon. Abubakar Momoh) — Agreed to.

Question that the provisions in Clause 4 stand part of the Bill, put and agreed to.

Committee Recommendation:

Insert a new Clause 5 as follows:

Clause 5: Circumstances in which pension and gratuity may be granted.

No gratuity or pensions shall be granted under this Act to an officer except on his retirement from the public service and in any of the following circumstances—

- (a) on statutory retirement in accordance with the provisions of Section 3 of this Act;

Question that the provision in Clause 8 stand part of the Bill, put and agreed to.

Committee Recommendation:

Insert a new Clause 9 as follows:

Clause 9: Staying in service beyond date of retirement.

Where an officer stays beyond the date of retirement, all emoluments earned by him and actually paid to him after the date shall be deducted from—

- (a) his gratuity en bloc; and, or
- (b) his pension in monthly instalments (*Hon. Abubakar Momoh*) — *Agreed to.*

Question that the provisions in Clause 9 stand part of the Bill, put and agreed to.

Committee Recommendation:

Insert a new Clause 10 as follows:

Clause 10: Voluntary retirement.

- (1) An officer who wishes to retire voluntarily from service, after serving for fifteen years, shall—

- (a) give three months notice of his intention to do so; or
- (b) pay one month total emolument in lieu of notice.

- (2) An officer who wishes to withdraw from service after serving for ten years but not up to fifteen years, shall—

- (a) give one month notice of his intention to do so; or
- (b) pay one month total emolument in lieu of notice (*Hon. Abubakar Momoh*) — *Agreed to.*

Question that the provisions in Clause 10 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 11: Death of an employee.

Where an employee dies, his entitlement under the life insurance policy maintained under Subsection (2) of Section 17 of this Act shall be paid to his retirement account and applied in accordance with the provisions of Sections 12 and 13 of this Act (*Hon. Abubakar Momoh*) — *Agreed to.*

Question that the provision in Clause 11 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 12: Death of a public officer while in service.

Where an officer dies in service, his recorded next-of-kin or any person designated by him during his life time as his survivor shall be paid—

- (a) if he served less than ten years, death gratuity of the deceased's one year total emolument; or
- (b) if he is qualified for pension, death gratuity in accordance with Table A of the Schedule to this Act and five years' guaranteed pension, en bloc (*Hon. Abubakar Momoh*) — *Agreed to.*

Question that the provisions in Clause 12 stand part of the Bill, put and agreed to.

Question that the provisions in Clause 14 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 15: Retirement benefits to be exempted from tax.

(1) Any amount payable as a retirement benefit under this Act shall not be taxable.

(2) Notwithstanding the provisions of Subsection (1) of this section, any voluntary contribution made by an employee in excess of his normal contributions to an approved occupational pensions scheme shall be subject to tax at the point of withdrawal where the withdrawal is made before the end of 5 years from the date the voluntary contribution was made (*Hon. Abubakar Momoh*) — *Agreed to.*

Question that the provisions in Clause 15 stand part of the Bill, put and agreed to.

Committee Recommendation:

16. Exemption from the Scheme.

(1) The provisions of this Act shall not apply to any person holding judicial office in the service of the Federation.

(2) For the avoidance of doubt, the provisions of Section 291 (3) of the Constitution of the Federal Republic of Nigeria, 1999 and the Pension Rights of Judges Act, shall continue to apply to the payment of pensions and other retirement benefits to judicial office holders of the Federation (*Hon. Abubakar Momoh*) — *Agreed to.*

Question that the provisions in Clause 16 stand part of the Bill, put and agreed to.

Committee Recommendation:

Leave out all the words in Clause 9 in the original Bill (*Hon. Abubakar Momoh*) — *Agreed to.*

Committee Recommendation:

Clause 17: Rate of contribution to the Scheme.

(1) The contributions for any employee to which this Act applies shall be made in the following circumstances relating to his monthly emoluments—

(a) in the case of the military—

(i) a minimum of twelve and a half per cent by the employer,

(ii) a minimum of two and a half per cent by the employee;

(b) in every other case to which this Part applies—

(i) a minimum of seven and a half per cent by the employer; or

(ii) a minimum of seven and a half per cent by the employee.

(2) In addition to the rates specified in Subsection (1) of this section, the employer shall maintain a life insurance policy in favour of the employee up to the equivalent of five times the annual basic salary of the employee.

(3) Any employee to whom this Act applies may, in addition to the total contributions being made by him and his employer, make voluntary contributions to his retirement account (*Hon. Abubakar Momoh*) — *Agreed to.*

Question that the provisions in Clause 17 stand part of the Bill, put and agreed to.

Committee Recommendation:

Clause 18: Contributions under the Scheme to form part of tax deductible expenses.

Notwithstanding anything in any enactment or law, contributions by an employer or employee to the Scheme under this Act shall form part of tax deductible expenses in the computation of tax payable by an employer or employee under the relevant income tax law (*Hon. Abubakar Momoh*) — *Agreed to.*