

**VOL. 2
No. 9**



**Thursday
29th January, 2009**

FEDERAL REPUBLIC OF NIGERIA

NATIONAL ASSEMBLY DEBATES

FOURTH REPUBLIC

THIRD ASSEMBLY (SIXTH SENATE)

SECOND SESSION

THE SENATE OFFICIAL REPORT

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**SENATE OF THE FEDERAL
REPUBLIC OF NIGERIA**

Thursday, 29th January, 2009

The Senate met at 10.20 a.m.

PRAYERS

(The President in the Chair)

VOTES AND PROCEEDINGS

The President: Distinguished Senators, the Senate is called to order. Let us consider the Votes and Proceedings of Wednesday, 28th January, 2009 starting from page 431 to page 435.

Senator Grace Folashade J. Bent (Adamawa South): Mr. President, I rise to move that the Votes and Proceedings of Wednesday, 28th January, 2009 be approved.

Senator Eme Ufot Ekaette (Akwa Ibom South): Mr. President, I rise to second the Motion moved by Senator Grace Folashade Bent that the Votes and Proceedings of Wednesday, 28th January, 2009, be approved.

Question put and agreed to.

Resolved: That the Votes and Proceedings of Wednesday, 28th January, 2009 be approved.

ANNOUNCEMENT

**Burial of late Senator Mamman Bello Ali,
Executive Governor of Yobe State**

The President: Distinguished Colleagues, I have an announcement. We left a sheet of paper at the back over there for distinguished Senators who would like to attend the burial of our late Colleague, distinguished Senator Mamman Bello Ali, Executive Governor of Yobe State, to fill their names. The aircraft we are getting is a 74-seater aircraft. So far, there are only twenty names. We urge those who would like to go to put their names down.

The aircraft will depart from the International Wing of Nnamdi Azikwe Airport at exactly 8.00 a.m. At 8.00 a.m., it has to be airborne because it takes about an hour to get to Maiduguri. Thereafter, we have to go by road to Potiskum which takes two hours.

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We have to be there on time for the burial, which I learnt will commence at 11.00 a.m. prompt and it will not last for more than one hour. There is no point going late. Please, make sure you are there on time for us to depart in good time also.

ORDERS OF THE DAY

CONSIDERATION OF REPORT

**Report of the Committee on Establishment and
Public Service on the Problems Associated with the
Implementation of the Pension Reform Act (PRA),
2004**

Senator Teslim Kolawole Folarin (Oyo Central): Mr. President, the first Order of the day is the consideration of the Report of the Committee on Establishment and Public Service on the Problems Associated with the Implementation of the Pension Reform Act (PRA), 2004.

You may recall that this Motion was referred to the Committee on Establishment and Public Service on Wednesday, 5th March, 2008 and it was laid in December 2008. You may wish to invite the Chairman of the Committee, Senator Mohammed I. Ahmed to move the Motion for the Senate to consider the Report of the Committee.

Senator Mohammed I. Ahmed (Kwara North): Mr. President, I rise to move that the Senate do receive and consider the Report of the Committee on Establishment and Public Service on the Problems Associated with the Implementation of the Pension Reform Act, 2004.

Senator Lee Ledogo Maeba (Rivers South-East): Mr. President, I rise to second the Motion moved by Senator Mohammed Ahmed that the Senate do receive and consider the Report of the Committee on Establishment and Public Service on the Problems Associated with the Implementation of the Pension Reform Act, 2004.

Question put and agreed to.

Resolved: That the Senate do receive and consider the Report of the Committee on Establishment and Public Service on the Problems Associated with the Implementation of the Pension Reform Act, 2004.

Senator Mohammed Ahmed: Mr. President, you may recall that the Senate at its Sitting on 5th March, 2008 deliberated extensively on the Motion: *Plight of*

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Nigerian Coal Corporation Pensioners and directed the Senate Committee on Establishment and Public Service to investigate the matter and take a holistic look at the problems associated with implementing the Pension Reform Act, 2004 and to report back its findings.

The Committee met and considered its mandate and resolved to hold a Public Hearing to address the issue.

Membership of the Committee

The Members of the Committee are as follows:

1. Senator Mohammed I. Ahmed - Chairman
2. Senator Kaka M. Yale - Vice Chairman
3. Senator Kawu P. Dukku - Member
4. Senator Joy Emodi - Member
5. Senator Adegbo E. Eferakeya - Member
6. Senator F. K. Bajomo - Member
7. Senator Ahmed M. Makarfi - Member
8. Senator Lee Ledogo Maeba - Member
9. Senator Abubakar I. Gada - Member
10. Senator Effiong D. Bob - Member

Committee's Action:

The Committee met, considered its mandate and adopted the following procedure:

- (a) Received memoranda from stakeholders.
- (b) Conducted Public Hearing on the matter; and
- (c) Analysed relevant presentations at the Public Hearing.

Findings:

The Committee noted the following issues in the course of the Public Hearing:

1. Old Scheme: (Pay-As-You-Go)

- (a) We discovered that there is inadequate funding by the Federal Government of the old pension liabilities.

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- (b) Inadequate and unreliable data on active and retired staff of MDAs
- (c) The Committee confirmed that Nigerian Coal Corporation was being owed 66 months arrears because of the problems already highlighted; inadequate funding.
- (d) Indirect system of payment to retirees is a major problem. For example, NCC members receive their stipends from Linkage Assurance Plc through a Board of Trustees instead of paying directly to their individual bank accounts.

2. New Scheme: (Contributory Pension Scheme)

We also discovered that the New Scheme has the following problems:

- (a) Inadequacy of Retirement Benefit Bond Redemption Funds: Considering the level of pension liabilities (about ₦2 trillion) under the old Direct Benefit Scheme by the Federal Government, the provision of 5 *per cent* wage bill by the Federal Government on a monthly basis to finance the Redemption Fund appears inadequate.
- (b) The Military Pension Board is experiencing difficulty by the requirement that PENCOM gives six months notice before retirement.
- (c) It was also discovered that stipends of retirees are not reviewed when active workers' salaries are reviewed in accordance with Section 173 of the 1999 Constitution.
- (d) Lack of sufficient information and enlightenment are creating avoidable problems.
- (e) Medically boarded ex-soldiers who have not reached 15 years in service are not qualified for pension but Mr. President gave approval for them to be paid on humanitarian ground. The Military are in a dilemma as to where to source for this additional fund.
- (f) It was also discovered that the delay in the passage of annual budgets equally results in the delay in pension payments.
- (g) That there is delay in remittance of contributions to PFAs.

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3. On the allegation that Linkage Assurance Plc has been receiving monthly releases for the settlement of pension arrears but has been withholding same, the Committee discovered the following:

- (i) That the pension arrears of NCC Pensioners is actually passed to the concerned NCC pensioners through Linkage Assurance Plc. The Minister of Finance confirmed that Management of the parastatals' pensions through insurance companies was Government's idea as a means of enhancing funds for the scheme.
- (ii) Linkage Assurance Plc was able to prove beyond all reasonable doubts that:
 - a. Remittance of releases from the government was never regular;
 - b. Sometimes, releases were too meagre to pay pensioners altogether, thereby necessitating a long wait for another release before payment could be made;
- (iii) Linkage proved to the satisfaction of the Members that at no time did it deliberately hold on to releases or withhold same.
- (iv) The Bureau of Public Enterprises is at the moment computing and trying to ascertain the total pension benefits of the staff of NCC with a view to resolving the payment crisis at the earliest possible time.

4.0 Recommendations

Mr. President, distinguished Senators, in view of the foregoing, the Committee recommends as follows:

- (i) Early submission of budget proposals and releases as at when due will help to solve this problem;
- (ii) The National Pension Commission should embark on an aggressive sensitization exercise to drive home the relevant details of the Pension Act and its application, particularly as they relate to:
 - (a) Rights of employees to choose their own PFAs;
 - (b) The application of Section 12 of the Act which deals with the transfer of retirees' entitlements from Defined Benefit Scheme into the new Scheme.

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- (iii) The Committee on Establishment and Public Service also should be mandated to conduct a Pension Submit involving operators and stakeholders of the scheme to address the problems of the pension generally;
- (iv) The National Salaries, Income and Wages Commission should review the Pension rates in accordance with Section 173 of the 1999 Constitution;
- (v) The Accountant-General of the Federation should ensure that the 66 months arrears of pension which is owed the Nigerian Coal Corporation retirees are paid to alleviate their hardship.
- (vi) Since the arrangement for payment of NCC pensioners and other parastatals through insurance companies has failed, pensioners all over the nation should be paid directly through their individual bank accounts;
- (vii) The retirees claimed that the 25 *per cent* of retirement Savings Account value paid to those who lost jobs as stipulated in Section 4(2) of the Act, is not enough to start any valuable business; they therefore demands for 50 *per cent*;
- (viii) There is need for the comprehensive review and evaluation of the operation of the scheme after four years of implementation.

Mr. President, distinguished Senators, on behalf of the Committee on Establishment and Public Service, I thank you for your attention and for the opportunity given us to serve.

Senator Victor Ndoma-Egba (Cross River Central): Mr. President, I wish to suggest that we go straight to the recommendations because as we discuss the recommendations whatever debate we want to make on the body of the Report can be covered. This is to give you notice that I intend to make certain remarks when we get to the recommendations.

The President: It is all right, we can go to the recommendations but pension is a very serious thing. A lot of people have served this country in various capacities and to the best of their abilities but now they are going through all sorts of problems to receive, sometimes pension that could not even pay their transport fare back to their various destinations. Sometimes they are not paid which is a hell of problem

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for the pensioners themselves. I know that some of us here are pensioners, we obviously know that. Going to the recommendations might be helpful.

Senator Ike Ekweremadu (Enugu North): Mr. President, you would recall that on 5th March 2008, this matter came up as a Motion in respect of the plight of Nigerian Coal Corporation Pensioners. I am happy that the Committee took the matter quite serious and came up with their recommendations.

As you said, pension is a very serious matter, and it amazes me sometimes when we make matters that are ordinarily straightforward complex in our system. When people get into public service, it is expected that they would retire someday and it appears to me that as they approach their retirement, no effort is being made to make provision for this.

I am at a loss how the National Budget or, in fact, State Budgets would be affecting the remittance of pensions to the pensioners because even in the old scheme, they deduct monies from salaries of workers ahead of their retirement. I do not see the relationship between that and the budget for a particular year because these monies are kept in a separate account.

Now to compound the problem, the issue of passing this money through insurance company is to me a lot cumbersome. The correct thing would have been that if you retire, you keep your account details with the Accountant-General's Office and your benefits would be remitted to that account.

Yesterday or so, I was discussing with Senator Mana and he told me that he has not received his pension for six months and it is very worrisome. This is just the situation with many of our people that have retired. This is something that we need to take very seriously to ensure that we simplify the mode of paying pensions to our elder statesmen.

It is necessary that we look at these recommendations and ensure that those who suffered especially, the Coal Corporation workers are paid as quickly as possible. For those who are yet to retire, we should be able to simplify this mode of payment in such a way that once you retire, you are sure of when and how you get your pension.

Senator Mohammed Mana (Adamawa North): Mr. President, I want to say that the recommendations of the Committee, of course, I will speak as a retired military pensioner, brought out succinctly the issues of pensioners as they affect the military. As you said, the

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issue of pension is very delicate and very serious in this country. These are people who served the country in various capacities, especially, the military, like has been brought out here; they are people who have been injured in the war and they have not been able to be paid. Mr. President graciously said that they should be paid but the Committee did not mention anything about the military pensioners in their recommendations but they highlighted succinctly, the issue of people who were retired. They were not given six months notice before they were retired and as such they were not able to notify their Pension Administrators. This issue seriously injured military personnel who did not serve up to 15 years before they were retired.

When we get to the recommendations, I would like to submit very good recommendation in respect of military pensioners though all pensioners are very important. They have served this country in various capacities. Just like the issue of Nigerian Railway workers who have served this country. I remember that in those days we travelled only by train because there were no roads, and today, these people have not been paid their pensions. On this issue of pensions, we should really make good recommendations. After all, there was a Public Hearing and people contributed on this subject. So, when we come to the recommendations, we should proffer recommendation on each of these observations that have been highlighted by the Committee.

The President: Senator Ayogu Eze, are you also a pensioner?

Senator Ayogu Eze (Enugu North): Mr. President, I am not a pensioner but if you will recall, I moved this Motion together with my Colleagues which led to this investigation.

In speaking on this matter, I must commend Senator Ahmed and his team for a thorough job that they did. But looking at what is coming through from the Report submitted and the recommendations, it appears to me that the idea of the Pension Act, and the PENCOM that was created to ease the suffering of pensioners, has become a bottleneck and has now created problems and increased their suffering. When we come to the recommendations, we have to also look at the Act and see how we can remove some of these things that are creating problems which the Committee must have glossed over.

Since we deliberated on this matter in March 2008, I have been receiving persistent phone calls from pensioners of Coal Corporation who have been crying that their pensions have been mounting and that in spite

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of our apparent intervention nothing has been done by the Pension Administrators to alleviate their suffering. Therefore, apart from some of the issues that have been highlighted, we also need to take a comprehensive look at the Act and see how we can, in line with what the Deputy Senate President has suggested, ensure that this Act serves our people rather than strangle them. This is because these delays have capacity to create a lot of frustrations.

There is also something I saw which is quite strange to me. Incidentally, the Committee did not suggest any way out. When you approved for some of your Colleagues, some boarded ones, to be paid pension on humanitarian ground, nobody appropriated any money under any head for doing so and the Committee did not seem to suggest any way out. These people are trapped in a kind of web. When you spoke about Colonel Mana, I do not know whether he belongs to the people who - (*Interruptions*)

The President: He is Senator Mana and not Colonel Mana.

Senator Ayogu Eze: I am very sorry, Sir. But when he spoke he spoke about the retirees so I am addressing him in his correct status as a retired officer. He is Colonel Mana (Retired). That is his correct status though he is now a distinguished Senator of the Federal Republic of Nigeria.

These are soldiers who sacrificed their lives on our behalf. We must recognise the sacrifice they have made for the people of Nigeria. Even if they were removed because of whatever act they might have committed in the military or they were no longer useful, their services in the past should not be glossed over. We have to find an answer to that conundrum. How do we resolve the problem of paying pensions on humanitarian ground when it is neither captured in the Pensions Act nor in the Appropriation Act? We must find a way out and incidentally, Mr. President, you should be interested in this matter because I do not know whether you have received your pensions.

The President: I received mine together with retired Colonel Ojukwu on the same day. (*Laughter*) It was only last year that we received something since then I have not received anything again.

Senator Dahiru A. Kuta (Niger East): My quarrel is with the recommendations. Apart from talking about the coal workers, the Report has not talked about the retired railway workers who have spent more than 24 months without receiving their pensions.

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My second quarrel is with Section 173 of the Constitution. It has given the right to anybody who retires to get his pension. The only problem there is that there is no provision to show how regular this pension should be made. Unless we establish that the Constitution empowers the government to pay regularly, it will be difficult for government to enforce whatever Act we put in place. This is where the problem lies.

Finally, whenever I drive from Zone 7 under the flyover, I see a lot of retired military men, the common people, and for more than two years now they do not know exactly where they could get their pension. There should be some enlightenment for these people to know exactly what they are doing.

Again, the Report has not discussed seriously the misappropriation and corruption taking place among the people who are actually supposed to pay this pension. This is important. So, I suggest that we should look at these issues critically and ensure that my people no longer suffer.

Senator Anyim Chukwu Ude (Ebonyi South): It is only those who are not pensioners that will not appreciate the seriousness of this matter. The management of pension in this country has been a fiasco particularly when you look at the system. Some people retired from the Civil Service, and they appear to have less problem. But those that retired from the public service like the parastatals, Railway, NCC, Coal Corporation, NEPA and so forth, they are regarded as non-Nigerians in terms of pension management. It is within that group you will find that many people died without receiving a kobo. Teachers are also included in this group. Once they discover you were not purely a civil servant, the treatment is different. They can wait until any time they are ready to do their job. As my Colleague, Senator Kuta has said, corruption is at the root of the entire problem.

The corruption begins right from the processing of documents that will enable a pensioner get his pay. Added to that fact is the inability of government to appropriate enough funds for pensioners. Therefore, those who prepare the papers cling on that fact of lack of fund but there is always money for the civil servants. The staffs of parastatals are always treated differently. So, in solving this problem we will have to take a second look at the laws.

Again, we have discovered that some people retired at a salary that is relatively low and they get the percentage of their pension based on that. While the civil servants keep increasing their own salaries it has

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always been a problem to also increase the pensions of retirees from the public service. These are the issues that I believe the law should be made to accommodate. Nevertheless, corruption is the problem; we need to tackle that more vigorously.

Senator Kabiru Ibrahim Gaya (Kano South): Mr. President, the issue of pension is really unfortunate and I believe all the people concerned should really put in more efforts to ensure that the pensioners are paid.

When you go to Military Pension Headquarters where the pensioners are being paid, you see a lot of people out there almost dying without being paid. It is unfair to keep pensioners waiting for upwards of five years without paying them. Even the record for pensioners cannot be ascertained. Sometimes, they pay the dead people instead of those who are alive. That means some people are diverting the money of dead pensioners while those who are alive are left to die without being paid and then the money is paid to those people who are in charge.

Secondly, part of the money given to the insurance companies is deposited in banks to yield interest while pensioners who are waiting to receive their pensions are dying.

In the recommendations, I would suggest that the Federal Government set up an Inquiry Committee to investigate this problem. I will raise that issue when we take the recommendations. This is a very serious issue that we have to treat in the interest of Nigerians who served this nation with all their efforts and energy. If we do that, it will assist the pensioners effectively. That will reduce corruption. But when people who have put in efforts to save this nation, discover that at the end of the day they would not feed themselves, they would resort to corruption while still in service.

Senator Eme Ufot Ekaette (Akwa Ibom South): Mr. President, I am one of the pensioners. This is a topic that the Senate should take very seriously.

Our Colleagues said that the Civil Servants do not have any problem with their pension; that is not true. They do. Some of them who left the service more than five years ago have not received a kobo with the result that they cannot even pay for their accommodation; they are finding it difficult to survive. Besides, their children are all out of school due to non-payment of their school fee. Nothing is being done.

The situation is pathetic. The people who were relieved of their services from Prisons, Immigration and

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Customs sometime ago have not received their pensions. They are finding it difficult to survive. There have been a lot of write-ups and petitions. People have died even on their way to verification exercise. There is this personal verification that brings a pensioner who might be earning less than ₦10,000 from the village to Abuja since the headquarters of the offices are here and some of them cannot afford the transfer fare to this place. Since they cannot appear in person, for those of them who have been receiving anything at all, they would stop whatever they are entitled to.

Again, there is this process whereby pensioners are required to fill forms every year irrespective of your age. Even if you are 90 years old, you must fill a form to receive any pension. In fulfilling the requirement for the payment of your pension, you have to come to Abuja to collect the form, go back home and then come back again to submit the form. The process is very tedious.

Of course, in all these there is the element of corruption because even to get the form, you have to pay for it; this is real. Even when you attach all the relevant documents along with the form, you still have to pay for that file to move from table to table.

I agree that a Pension Act is in place now but what happens to the arrears of the people who have not been paid for several years. Under the Act setting up this Commission which took off from the date the Act came into being people are owed months and years of arrears and nobody is talking about it. It is something that I believe this Chamber should take seriously and see how it can tackle the problem because a lot of people who have rendered great services to the nation at their early ages are now suffering.

The President: If I get this Report correctly, what they are saying is that since the Pension Act came into being, things have not improved? I think the whole problem is that since the Pension Act came into existence things have not improved. In fact, it is getting worse. That is what the Report appears to be saying.

I will take a few more comments after which we go to the recommendations.

Senator Joseph Iorshagher Akaagerger (Benue North-East): Mr. President, I am worried about three issues here. Incidentally, military pensions will not take the front burner. It is not that I do not care so much about it because I am also affected. So, what touches us shall be last said.

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I am concerned about the review of pension rates provided for under Section 173 of the Constitution of the Federal Republic of Nigeria 1999. I will specifically refer to Subsection (3) of that Section which says: *Pensions shall be reviewed every five years or together with any Federal Civil Service Salary Reviews, whichever is earlier.*

There is a recommendation here which says that that constitutional provision should be complied with. My worry is that it is open-ended. It does not state the period from when this review should begin but we do know that someone who has been on a pension of ₦10,000 a month is still on that pension at this moment. I would suggest that a specific period of time be given when it should start and when it should end. I want to further recommend that they should also be paid with interest at the current bank lending rate.

The second issue is that of my former constituency, the military personnel who are entitled to pension at the moment. Benue State has produced retired military personnel up to the number of a division. If you put together all the retired officers and soldiers of Benue State origin, they can comfortably constitute a division of the Nigerian Army.

This morning before I came to Senate, I emptied my entire pocket to military pensioners from Benue State. These are few of them who came to me this morning which underscores the issue of the quantum of pensions payable. That the pension is not even paid is an additional element of illegality. I do not know why the issue is almost beyond redemption.

I understand that the term of reference for this assignment is on the coal workers yet NITEL and Military pensioners have come before this Senate several times. I do most humbly suggest that an inquiry be specifically carried out in these areas, too, so that something could be done for them also.

Finally, the issue which I want to emphasis is the financial component. The National Assembly cannot gloss over corruption as it were at the expense of the people. The people handling pension funds are taking heavy interests in the banks and enjoying them. I will suggest that an inquiry be made into the specific amounts giving to them and the interests accruable on those money which they have taken and a report be made here for appropriate action.

Senator Sola Akinyede (Ekiti South): Mr. President, the message we are sending to ourselves is that when you are working in the Public Service or Civil

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Service you should make hay while the sun shines and that is illegal hay because after you left office, you are on your own and to the elements. When I say left to the elements I am speaking literally. If you go to Alexander Avenue in Lagos where you have the Military Pensions Board, you will see a lot of old people 60 or 70 years old sleeping on cardboard whether it is raining or there is sun shine. It is a matter of political will.

Let us take a look at Section 84 of the Constitution. There it states that certain officers of the Federation have their salaries as a first charge on the Consolidated Revenue Fund. It is an elitist provision; providing only for such officers as the President and the Chief Justice of the Federation. Then I ask the question, why can we not make pension funds a first charge on the Consolidated Revenue Fund so that Nigerians who have used their sweat and blood to serve this nation are guaranteed of their pensions after retirement? We are complaining of corruption in the pension system when the people who are working in the pension system know that when they finish in the Public Service they would be left to the elements. I want to suggest that when we are reviewing the Constitution, we should amend Section 173 so that payment of pensions would be charged to the Consolidated Revenue Fund.

Finally, any time we have funds from excess crude, we should make sure that we divert some for the payment of pensions. It is a matter of political will. The most important thing is the issue of constitutional amendment. We amend the Constitution to ensure that people who have used their sweat and blood to honestly work for this country are guaranteed their future.

Senator Chris N. Anyanwu (Imo East): Mr. President, I just want to make a very short comment. Two weeks ago I got a call from my 85 years old uncle in the village and he said he wanted to see me. You know at that age you really need to respond. A few days later when I went to him, he handed me a letter for Mr. President and what that letter said was that, Nigeria needs to pay attention to the plight of the retired teachers as cost of living sky rockets. Nigeria is oblivious or seems to be oblivious to the fact that retirees' income is static; that there has to be a way of reviewing pensions so that as cost of living goes up and workers' salaries are increased the retirees are also factored into the increase. Based on the recommendations which we have not started considering, I want to say that I am delighted that one of the recommendations covers the subject of that letter.

Senator Paulker Emmanuel (Bayelsa Central): Mr. President, in sharing the sufferings of the

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pensioners, especially when up to 66 months a pensioner has not been paid, one wonders what he has been survive on. In fact, in that type of situation he cannot talk of his children's education.

We should not lose sight of the fact that coal played a key role in sustaining the economy of this country at a point in time. It was within this period of time that this group of Nigerians suffered in serving this nation. Now, the reward they could get from their services is a denial of the payment of pension to them. From all the discussions it is very clear that the law governing the payment of pension is very weak, and once you have a very weak base; it is difficult to implement anything. To me, what is paramount is to review the Pension Act so as to provide for easy payment of pension.

You will recall that I was with you the day you received your pension. It was then decided that pensioners would be paid through their banks. It appears that that is not working. So, the best bet for us is to review the Pension Act so as to ensure that Nigerians who have put in their best to the service of this nation get their money as and at when due. A lot of them do die in the process of waiting for their pension.

I join my Colleagues to say that we should review the Pension Act as to accommodate easy flow of fund to this area so that pensioners get whatsoever that is due to them on time to address their problems before their death.

Senator Lee Ledogo Maeba: Mr. President, I have a Point of Order!

The President: Point of Order, Senator Lee Maeba.

Senator Lee Ledogo Maeba: Mr. President, it is a constitutional Point of Order under Section 16(2)(d); and 14(2)(b). I will start with 14(2)(b) which says: *The security and welfare of the people shall be the primary purpose of government.*

The Section 16(1)(b) says: *Control the national economy in such manner as to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity;*

Section 16(2)(d) says: *That suitable and adequate shelter, suitable and adequate food, reasonable national minimum living wage, old age care and pensions and unemployment, sick benefits and welfare of the disabled are provided for all citizens.*

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I raised this Point of Order because we all swore to Oath of Allegiance to protect and defend the Constitution of the Federal Republic of Nigeria.

The President: Hold on, let me rule on your Point of Order. Your Point of Order is sustained. Can we go to the recommendations, please?

Senator Ahmed, do you have the list of those handling the pension funds?

Senator Mohammed I. Ahmed: Yes, Mr. President. The National Pension Commission is the organ attending to the present set of retirees who retired since 2004 and beyond. There is also the Pensions Office in the Head of the Civil Service of the Federation.

The President: I am aware there are companies and organisations that handle pension funds and they have got billions of Naira for that so, why are they not paying?

Senator Mohammed I. Ahmed: Mr. President, there are two different things. The problem area is in respect of those that are being paid directly; those who have retired before this Act came into force. This is the ones handled by the Head of Service. The current one being handled by National Pensions Commission is for people who are in service and who are paying contributory pension. We do not have much problem with this. The problem really is with those who retired earlier and some military officers that are still in the service of the Federation.

The President: Is the Commission not looking after those who retired before it was set up? I thought they were supposed to take over everything?

Senator Mohammed I. Ahmed: They have taken over but the funds for that group of people have to come from the Pensions Office of the Head of Service. The ones they handle directly are those who pay their contributory pensions scheme. The Head of Service gave them responsibility to do a sort of computation of the entitlements of all the Civil Servants who have retired. They are handling that aspect, now. But in terms of direct payment, it is those who are paying contributory pension since 2004 when the Act came into effect, that they are solely responsible for. If this distinguished Senate requires the list of the Pension Fund Administrators (PFAs) we can get it in the next two hours.

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The President: All right, we go to the recommendations now.

Recommendation 1 says: *Early submission of budget proposals and releases as at when due, would solve the problem.*

Senator Victor Ndoma-Egba: Mr. President, that recommendation does not flow from the findings and I will take us back to the findings at pages 3 and 4. Quite a number of pitfalls, issues, problems and shortcomings were noted there, and I do not see how the early passage of the budget would cure all of those problems. Some of the problems they mentioned have to do with records, data and statistics, so early passage of the budget will not cure those. I believe that we need to amend that recommendation and I propose that it reads thus: *Early submission of budget proposals and releases as at when due would ease the problem.*

The President: I do not actually see how this has anything to do with the budget at all. Senator Lee Maeba you were a party to this and you signed it.

Senator Lee Maeba: I signed it and I support recommendation (1). We were not able to put every reason why we recommended it. One of the reasons I quoted that point of order is that we have the right to appropriate sufficient fund or to start to appropriate fund to offset pension arrears. Our budget should be based on the Constitution and the Constitution has given us power to ensure that pension payments are made to these old people. Some of these pensioners do not receive more than N10,000. Some receive as little as N8,000 but they need it to survive. Most of them have lost their children.

So, I believe that we can modify recommendation (1) to use the powers available to us to budget funds for all sectors of the economy including payment of pension so that we do not have accumulated bills. If we cannot accommodate all in this budget, we can accommodate them in subsequent budgets so that people are paid.

In the case of Coal Corporation pensioners, 66 months arrears were being owed them. They were later paid for only three months. These people are actually suffering. We would be doing disservice to the nation if we do not respond positively as a Parliament. So, I believe that we should appropriate funds to pay this pension. That is why I stand to support recommendation (1) and to also say that it is necessary that funds are made available in the budget to pay this money.

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Senator Anyim C. Ude: Mr. President, definitely, the early submission and passage of the budget is relevant to recommendation (1) and I agree to what our SAN, Senator Ndoma-Egba has said about easing the problem.

On pages 3 and 4, they identified the old scheme and the new scheme respectively. The new scheme involves contributions from both the employers and the employees. Those in the old scheme like us are not involved in the contributory pension. We rely on government provisions in the budget. You cannot solve all the problems but you can definitely ease it out. So, I agree with the fact that the world *ease* should take the place of *solve*.

The President: So, early submission of budget proposals and releases as at when due will ease the problem. But it is not just the submission but adequate provisions should be made in the budget. Let us re-word that recommendation properly to accommodate adequate provisions in the budget and releases as at when due to ease the problem.

The Chief Whip can stand up and speak.

Senator Sola Akinyede (Ekiti South): Mr. President, rather than saying adequate provisions, I would suggest priority provisions in the budget.

The President: No. There are so many things that are competing for this priority. What we want is to provide enough money there. It is not the priority; it is that provision there should be enough.

Senator Dahiru A. Kuta: Mr. President, my contribution is that early submission of budget proposals and releases as at when due will ease the problem through proper coordination between the three tiers of government. This is because what is happening now is that some people who are getting their pension, 50 *per cent* are coming from the Federal Government and 50 *per cent* from the State Government. So, there are normally delays from one side of the government. That is why many pensioners suffer much before they get their money.

The President: That is implied here otherwise, we are going to say provision by the Ministry of Finance and all that. It should read: *Adequate provision in the budget and releases as and when due would ease the problem.*

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Senator Ayogu Eze: First of all, I agree that we should add the words: *Adequate provision* to Recommendation (1). We will also add the words: *Provision of reliable data*. This is because one of the things they identified is lack of accurate data. So, the provision enough fund must match the provision of accurate data. Whichever way we couch it, I would suggest that we add the words: *Adequate budgetary provision and submission of reliable data by the MDAs*.

The President: Why do you want to mix the two? Deal with the fund first, then you can bring in accurate data. Why must you combine data with fund?

I will put the Question in respect of Recommendation (1) as amended.

Amendment put and agreed to.

Recommendation (1) as amended put and agreed to.

Recommendation (2) says: *The National Pension Commission should embark on an aggressive sensitisation exercise to drive home the relevant details of the Pension Act and its application particularly as they relate to:*

- a) *Rights of employees to choose their own PFAs;*
- b) *The application of Section 12 of the Act, which deals with the transfer of retirees' entitlements from Defined Benefit Scheme into the new Scheme.*

Senator Ahmed, can you really explain this? It is long and winding. I am a bit lost.

Senator Mohammed I. Ahmed: Mr. President, the first aspect deals with rights of employees to choose their own Pension Fund Administrators (PFAs).

Currently, it is the responsibility of the Pension Office and the various Pension Commissions but what we are saying here is that anybody who is going to retire should be able to choose his own PFA but now it is being done for all the contributors.

The other thing is the application of Section 12 of the Act which deals with the transfer of retirees' entitlements from Defined Benefit Scheme into the new Scheme. Retirees' entitlements are being worked out by the Pension Fund Administrators. So, instead of keeping it wherever they are now, if it is transferred into the new

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scheme, perhaps, it will help to pay more people. This is what we are trying to say there.

Senator Teslim K. Folarin: Mr. President, the explanation by the Chairman has left me more confused because, on the one hand, he is saying the company decides which PFA the employee will use and, on the other hand, he is saying they should go on sensitisation tour for the right of employees to choose their own PFAs. What he needs to tell us is; what Act says. Is it possible to have the Act amended to give workers the right to choose their PFAs?

Senator Ayogu Eze: I believe the introduction of PFAs is what has compounded the problem in the first instance. So, I would suggest that we amend the Pension Reform Act to eliminate the use of PFAs and create a channel to direct this money to the beneficiaries because these PFAs trap the money in their accounts and earn interest. Even when their money comes the problem that they have is that these PFAs keep the money because it earns interest for them in their bank accounts.

I suggest that we propose an amendment of the Pension Act to simplify it and eliminate the PFAs. This will ensure that monies belonging to the pensioners go directly to them. We have to eliminate the PFAs. From the explanation given, they are part of the problem.

The President: What does Section 12 of the Act says before you ask us to amend? We do not have it here?

Senator Ayogu Eze: Let the Clerk read it out.

The President: No, you who is proposing can explain. How can you be proposing and you do not know what the explanation is? The PFAs are created by the Act. What does it say that you want us to amend?

Senator Lee L. Maeba: Mr. President, we can avoid this controversy by coming with a short amendment. The PFAs cannot be removed because they are the people paying this money. For example, in countries that pay social security, social security is paid by Social Security Fund Administrators that have the right to invest and manage the fund. The agreement they have with the government is that they shall continue to pay this security benefits but what they do with the money is nobody's business because their contract is to pay. They collect the money and invest it to make their organisation robust so that they can pay their wages and meet their obligations. The only thing they are supposed to do is to pay money.

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I would suggest that we amend Prayers (2) and (3). These two Prayers can be merged to read that: *The committee, in consultation with the National Pension Commission, shall organise a stakeholders' summit where several issues will be resolved.*

The President: Do we want the pensioners to come for a summit only to explain their problems which we already know because that is what a stakeholders' summit would bring out; that they are not being paid on time. When they come they lie down there for months on end and at the end of the day, they are not paid. We have, by this Report, articulated those problems.

My understanding here is that you want those who are involved to be enlightened as to their rights. So, how do we enlighten them?

Senator Anyim C. Ude: There is really no problem with respect to the second recommendation. We can stop at the word: *Application* so that it reads: *The National Pension Commission should embark on an aggressive sensitisation exercise to drive home the relevant details of the Pension Act and its application.* The issue is enlightenment of what exists now. The question of review in Recommendation (8) is the last item which we would come to later. Those who are affected should know what is in it, which is what they are saying. We should stop at the word: *Application* in Prayer (2). When we get to the last one, that is Recommendation (8), you will see where we would review.

The President: One of the requirements of the Act is that the Commission shall carry out public awareness and education on the establishment and management of the Scheme. So, what are we saying again? It is an integral part of their functions. I have read Section 12 and it does not relate to anything that is being said here. I do not know how Section 12 has got into that recommendation. Section 12 is on the transfer of entitlement from Defined Benefit Scheme into the new Scheme. In any case, the issue of enlightenment is an integral part of their function. So, I do not think that we need to; unless we want to do it for the sake of emphasis.

Senator Lee Ledogo Maeba: Mr. President, we are merging 2 and 3 because they are the confusion. Let me read it: *The Committee on Establishment should through adequate oversight urge the National Pension Commission to perform its functions as it entails in Section 12 of the Act.*

The President: If we want to do that can we say that the National Pension Commission should embark

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on aggressive sensitization exercise as contained in the Act? Is that all right?

Senator Ike Ekweremadu: That will be an indictment on our Committee because that is not what oversight is all about. They are supposed to get them.

The President: Truly, we should leave recommendation (2) out completely. But the lesson from that is that it is the Committee that is responsible that should ensure the Commission does that because it will be shooting ourselves or our Committee.

Question put and negated.

Recommendation (3) says: *The Committee on Establishment and Public Service should conduct a Pension Summit involving operators and stakeholders of the Scheme to address the problems of pension.*

Question put and negated

Recommendation (4) says: *The National Salaries, Income and Wages Commission should review the pension rates in accordance with Section 173(3) of the 1999 Constitution.*

Question put and agreed to.

Recommendation (4) will now become recommendation (2).

Recommendation (5) which now becomes recommendation (3) says: *The Accountant-General of the Federation should ensure that the 66 months arrears of pension owed the Nigerian Coal Corporation retirees are paid to alleviate their hardship.*

Senator Ike Ekweremadu: My first amendment to that is to tell the Accountant-General to ensure that the 66 months arrears of pension owed to the Nigerian Coal Corporation retirees are paid. To me the money is there and they refused to pay but it does not appear to me to be so. What I will suggest is that we re-cast it and say that: *Pension arrears should be treated as debt and adequate provision be made in subsequent budgets for their payment.*

The President: Should we not really urge the Federal Government to make a special case through a special intervention fund provide for these arrears of pension. My problem is actually anytime money is provided it looks like the money never goes to the beneficiaries.

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Senator Lee Ledogo Maeba: Prayer 1 can now be seen to be very useful as for the submission made by the Deputy Senate President. We will re-cast it to mandate the Accountant-General to submit, as the President is talking about the intervention fund and there can be no intervention fund unless it is appropriated from this Chamber.

The DSP was talking about the subsequent budgets but that is uncalled for because the budget for this year is already passed. The Accountant-General should be urged to calculate all the arrears of pension so that it will be captured in the next Appropriation Act. We should re-cast it in that way so that it becomes a special budget. A Supplementary Budget can also address it if we do not want to wait for the next budget.

The President: What the DSP is saying is that recommendation 5 which is now recommendation 3 should be treated like a debt that has to be paid. Recommendation 1 is saying subsequent budget proposals must incorporate this but we are talking of the arrears that are now outstanding. That is what we want to address here and that is why I am suggesting we ask for an intervention fund. But like all of you have rightly identified, the issue with the pension is the level of corruption involved by the characters who work there and this has not been addressed. I do not see anywhere in this recommendation where it has been addressed.

Senator Abubakar Sodangi: Mr. President, as it is being observed, I do not want to believe that the issue of pension arrears concern only the pensioners from Nigerian Coal Corporation; there are others, the ex-soldiers, Civil Servants and the rest of them. So, we should capture them in this very recommendation that all arrears owed pensioners should be paid. That is my own observation.

It may read as follows: *The Accountant-General of the Federation should ensure that the 66 months arrears of pension owed to the Nigerian Coal Corporation Retirees and any other pending arrears are paid to alleviate the sufferings of the pensioners.* That has captured every pensioner of other agencies of government and that will take care of the problem.

Senator Mahmud Kanti Bello: Point of Order, Mr. President!

The President: What is your Point of Order, Senator Kanti Bello?

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Senator Mahmud Kanti Bello: I just want to assist as regards where to get the money to pay. It is a Constitutional Point of Order, Section 83 (1) and it says:

The National Assembly may by law make provisions for the establishment of a Contingencies Fund for the Federation and for authorising the President, if satisfied that there has arisen an urgent and unforeseen need for expenditure for which no other provision exists, to make advances from the Fund to meet the need.

So, we should use this Section 83 of the Constitution to make a law to get these retirees paid. All their arrears should be paid. That is the Constitutional provision.

The President: You read and stopped only at 83(1). If you read 83 (2) it comes back to what somebody suggested that in the Supplementary Appropriation we should ensure that this is captured. Our problem here is that we do not believe the Accountant-General has this money anywhere to pay if we order him now to do so. It has to be appropriated so we have to, in a way, say that it should be appropriated for the Accountant-General to pay. So, how do we write that? DSP, if you can just go through what you said again, please.

Senator Ike Ekweremadu: I said that the pension arrears should be treated as debt and adequate provision be made for it in subsequent budget.

The President: Instead of subsequent budget why not say in a Supplementary Budget?

Senator Mahmud Kanti Bello: It is well taken.

The President: Do not forget that Recommendation 5 is now recommendation 3 and I can now put the Question.

Amendment put and agreed to.

Recommendation 5 now recommendation (3) as amended, put and agreed to.

The President: Recommendation 6 reads: *Since the arrangement for payment of NCC pensioners and other parastatals through insurance companies has failed, pensioners all over the nation should be paid directly through their individual bank accounts.*

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How do we implement that because it is not only NCC now, NITEL, Nigerian Railway Corporation and all the other old government organizations have problems. As for the military pensioners, we have to recommend that specially.

Senator Mohammed I. Ahmed: What we received as representation from various retired personnel is that by the use of this Pension Insurance Companies, after money has been released to them they keep the money for upwards of two to three months before they pay them. So, they are agitating that any retired officer should be asked to open an account and whatever sum of money is going to him as his pension entitlement should be paid directly into the account. That is their demand.

The President: Did you talk to the insurance companies?

Senator Mohammed I. Ahmed: They were there at the Public Hearing.

The President: What did they say?

Senator Mohammed I. Ahmed: Well, they argued to protect their interest.

The President: You should have first indicted the insurance companies; condemn them in very strong terms and then ask for a solution. So, let me get your comments on this.

Senator Jibril Aminu: Unfortunately, I am getting my pension from a civilised institution and in this case, the university, but I honestly thinking that these Pension Management Companies is a very brilliant idea. This country is yet to pay tribute to Mr. Fola Adeola who thought out this Scheme.

The pension arrears of this country were so large that previous leaders were afraid to mention it. However, these companies have been given billions of money to carry out this function and I am not sure if they are being monitored.

If anybody knows what is happening there this is the place to address it. The Report is just a tip of the iceberg. So, instead of condemning them, the Senate Committee on Establishment needs to appoint a body to actually examine and review the performance of these companies so far vis-à-vis billions of public funds allocated to them and also moneys of all retired people which they have contributed. If they are given this money by government and they are trading with it,

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whatever they are doing with it we do not know. It is between the pensioners and the Pension Management Companies which may be made up of honest people but we do not know what they are doing. This may just be the beginning. Look at what is happening to banks all over the world and these Pension Administrators are banks of a sort.

I believe we have to find out what they are doing instead of just condemning them which I do not support. I support that we really go ahead and investigate to see what they are doing because I do not know what they are doing. We may leave it until it is too late and when we discover it, billions of peoples' pension might have disappeared.

The President: Well, it is based on the recommendation. If you want to take what you have given to them now from them, it means they have not done well. To me, it is a direct way of saying they are not performing well but the contradiction I have is that if you look at page 5 of the Report beginning from page 4 it says:

With the allegation that Linkage Assurance Plc has been receiving monthly releases for the settlement of pension arrears but has been withholding same, the Committee discovered the following:

That the pension arrears of NCC pensioners are actually passed to the concerned NCC pensioners through Linkage Assurance Plc. The Minister of Finance confirmed that management of the parastatals' pension through insurance companies was government's idea as means of enhancing funds for the Scheme. Then it carries on; Linkage Assurance Plc was able to prove beyond all reasonable doubt that; (a) Remittance of releases was not regular, and (b) Sometimes releases were too meagre to pay pensioners altogether thereby necessitating a long wait for another release before payment could be made.

(c) Linkage proved to the satisfaction of the Committee that at no time did it deliberately hold on to releases or withhold same.

So why are you taking it from them because you have, in fact, exonerated them? So this contradiction is inexplicable.

Senator Jibril Aminu: Sir, I read that recommendation and since the Chairman of the Committee sits close to me, I turned round and asked

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him if he is saying that the Pension Management Companies should be divested of their assignment, and he said, no. But this is the meaning of what we read in the Report. I honestly think that it is against the law because there is a law under which they got this assignment. So, if the Senate is going to do anything at all, in my opinion, we should find out how these companies are doing. Is it that the government or the various MDAs are not giving them the money? It is quite possible that they are not getting the money which is due. After all, pensions have been in arrears for a long time. Or is it that they are not managing it very well?

After about a year or two, I honestly think that one of the most important things this Senate should do is to find out how they are doing. I do not know whether or not you contributed; I contributed money to a pension management company. Up till now, I do not know what is happening expect a certain lady came worrying me that I should bring more money. I asked her; what about the ones we gave you? Honestly, we should find out what they are doing.

The President: Senator Bala Mohammed, listen to what Senator Jibril Aminu is talking about. He is talking about contributions that were given to a company to manage which nobody can account for at the moment. Is that not so?

Senator Jibril M. Aminu: Yes, Mr. President.

The President: This is part of the corruption we are talking about. Even amongst us here, there is a problem.

Senator Mohammed I. Ahmed: Mr. President, I suggest that we skip Recommendations (6) and (7) and deal with Recommendation (8) which says that: *There is need for comprehensive review and evaluation of the operation of the Scheme after four years of implementation.* After this we withdraw all the other recommendations.

Senator Jibril M. Aminu: I agree with Senator Mohammed Ahmed; honestly.

The President: Why do you want to withdraw it?

Senator Mohammed I. Ahmed: I just believe that when we come to Recommendation (8) all the lacunae that we have in Recommendations (6) and (7) would be taken care of if eventually what we are recommending in that (8) itself is carried out.

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Senator Abubakar D. Sodangi: Very well, Mr. President.

Senator Nicholas Yahaya Ugbane: The Chairman of this Committee has taken the wind out of sail. He has noticed the apparent contradictions in his recommendations and accordingly he has suggested that Recommendations (6) and (7) be expunged and then we go to Recommendation (8) which in line with re-numbering will become Recommendation (4). I, therefore, suggest, with your permission and ruling, that Recommendation (6) and (7) should now be expunged and then we consider Recommendation (4).

There is no basis for the recommendation that these companies should be sanctioned or condemned as shown on pages 3 and 4 which you highlighted. If we do that comprehensive review as contained in Recommendation (8) it will be a way forward.

The President: No, that review has nothing to do with the sufferings of the pensioners. Senator Ahmed has highlighted that the pensioners are not being paid on time and he also cited the example of a military pensioner. Even from comments from the Floor here, we all agreed that the pensioners are not being fairly treated and his recommendation there was to alleviate that. Now he wants to withdraw it without proffering another solution. We asked the Committee on Establishment and Public Service to look at it. One of the terms that we gave to this Committee is that: *The Senate do direct the Committee on Establishment and Public Service to take a holistic look into the issue of pension and report back.*

This is not a holistic look if you just glossed over it because there are serious problems affecting the payment of pension and this Report has not addressed them at all.

Senator Ayogu Eze: Mr. President, what I want to suggest will not be a matter that Senator Ahmed Mohammed can treat perfunctorily on the Floor here because this is a Committee work. He alone cannot just stand up and say, I withdraw or I add.

Let me say that a number of issues have also not been highlighted because Mr. Senate President has been harping on the issue of corruption and Members, too, have been harping on the issue of corruption in relation to what has happened. Some of us have practical examples of this corruption even from the MDAs and from the Pension Office.

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I was talking to Senator Ufot Ekaette about a relation who came to Abuja to trace her father's file. She was given two conditions. One is that she has to find money and secondly, some of the people in the office demanded to have appointment outside the office with her before they can now come back to start the work. It is a very serious situation.

I think we need to give the Committee more time to go back and investigate all the issues that they have not investigated including this apparent contradiction in their recommendations. I suggest that we give them more time.

Senator Kabiru Ibrahim Gaya: Mr. President, this is a very serious issue and I think we have discussed some recommendations and approved them. We now want to add another one that the government should set up an investigative panel to find out the activities of these companies in order to facilitate prompt payment of their entitlements. There has been allegation of corruption on this issue. Therefore, the Federal Government should set up an investigative panel to find out in detail the operation of this pension scheme.

The President: Senator Ahmed Mohammed, people come to collect pensions. Let me cite the Military pension as an example. Did you call the Military Pension Office?

Senator Mohammed I. Ahmed: We did, Sir.

The President: Why are so many people lying down there, twenty four hours of the day all the year round?

Senator Mohammed I. Ahmed: The explanation was that there is not enough budgetary provision to cater for them all. We also confirmed that from the Office of the Head of Service.

The money that is being budgeted yearly is never sufficient to pay the outstanding debts and to continue to pay the new pensions; that was the major problem. As I said, I am not saying we withdraw all the recommendations. I was only making reference to Recommendations (6) and (7) because they were based purely on the responses of those who attended the Public Hearing. Majority of them demanded for Recommendations (6) and (7). But since it is becoming controversial, that is why I said, we can withdraw them and then bring them under Recommendation (8) where it can be taken care of.

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Senator Hosea O. Ehinlanwo (Ondo South): Mr. President, I have taken a look at Item 6.0 *Recommendations*. Instead of discarding it, I would like to make a minor amendment to Item 5.3(ii) of the Findings which states as follows:

Linkage Assurance Plc was able to prove beyond all responsible doubt that:

- a) *Remittance of releases was not regular;*
- b) *Sometimes releases were too meagre to pay pensions altogether thereby necessitating a long wait for another release before payment could be made.*

Now, the two reasons given are not sufficient to rule them out of professional practice because if it was meagre, we can urge them to pay whether it was irregular or meagre. Therefore, it is not sufficient to rule them out and give that assignment to banks. So, we can urge them, if they are not alive to their responsibilities, to be alive to their responsibilities and ensure that they pay regularly, whether meagre or irregular. That would make recommendation (6) to stand.

Senator Mahmud Kanti Bello: Mr. President, the whole purpose of this exercise is to make sure that the pensioners, who are due to get their pensions, get them without much suffering. In order to solve this problem once and for all; first, we need to actually do our oversight functions properly so that the Committee would be able to expose the corruption. At the same time, they should give us details of who and who are entitled to what so that this could be done with once and for all. This is not an impossible task. Give them time to do that. When they give us that report, we would then use Section 83 to approve a Supplementary Budget so that people would be paid once and for all and we would have done a very good service to Nigerians in order for this matter to be solved once and for all.

The President: What are you suggesting that we do with the Report we have in our hands now?

Senator Kanti Bello: Mr. President, recommendations (1) to (4) are acceptable. It is the last recommendations that they should go back and do their oversight function properly and come up with a proper report, even if it means to employ some experts, we should have comprehensive permanent Report of who and who are not being paid their pensions. People have died without getting their money. Let us get this Report so that you would not see the Army Pensioners standing

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year in, year out without getting their money. I have a friend who was a Corporal in the Army, every time he would collect money from me that he was going for his pension. It would be either Lokoja or Lagos; they do not even have one place to collect the money. They keep changing even the location where you could get your money. I suggest that we do this once and for all in the interest of this nation. They should give us the report and then finally we put a Supplementary Budget, using Section 83 of the Constitution and then pay these people.

Senator Ike Ekweremadu: Mr. President, we have done so well. If we are able to implement all that we have agreed already, we would have done well. First, we said that there should be regular provision in the budgets for payment of pension. We have also agreed that there is need for sensitisation of the populace in respect of the Act. We have also agreed that we have to appropriate a lump sum to pay all outstanding arrears of pension. Those are all settled.

Now, we are saying that Recommendations (6) and (7) cannot stand because they border on the Act. Anything we need to do in respect of those recommendations needs an amendment to the Act itself. So, those recommendations cannot stand as it were. It is only by review of the operation of the Scheme and the Act itself that we can know whether recommendations (6) and (7) would come and, perhaps, improved upon. If we do that and all the other ones that we have already agreed upon, I am sure we have done well and if they are implemented, that will help to solve the problem.

The President: This review in Recommendation (8) is to be done by whom?

Senator Jibril Aminu: Mr. President, I will like to just emphasise the points raised by Senator Kanti Bello. It is our responsibility, if you had asked the Ministry of Federal Capital Territory to review the plot allocations in Abuja, you would never have heard some of the things Senator Sodangi and his Committee had asked. So, you cannot really ask Government to set up a Committee for the Ministries; this is the job of this Senate. It is such an important issue in this country and it is something which will add credibility and effectiveness in the Senate for us to review this and see how it will work.

I would, therefore, recommend that the Committee be assigned the job and they be given; (a) enough money; and (b) the authority to hire an Accounting Firm. They can hire competent Chartered Accounting Firm as well as Lawyers in this country to do this job

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for them so that we know what is happening. I just like to issue a warning about what I jokingly called *the Enugu Agenda*; the Coal Corporation. I was their Minister for sometime and this issue has always been there.

Some organisations are very good in making their case so that it comes out prominently over others. I had this argument with Senator Sodangi over the companies that were mentioned in the Plots and those that were not mentioned and who did not have the means to come and express themselves but were no less aggrieved. We should look at everybody and if we look at what is happening in the Coal Corporation with what is happening in the Police, with all due respect, the case of Police is worse. A Police Officer would retire and would come from Yola to Abuja ten times and he would not hear anything. It is the same thing with the military and it is the same thing with the old friends of ours, the Railways and the PWD type of organisations of the olden days. I believe that the only thing that would bring all of these out is to help the government and help us in reframing the law. It would really be an effective and a serious review of the whole performance of the Pensions Scheme, particularly the company. If you do that, things like corruption, inefficiency and the need to amend Laws would come out in the open.

I will strongly recommend that as a way of rounding up whatever we are doing; if you think that there are some organisations that require to be helped immediately by recommendations (1), (2), (3) or (4), that is all right; but the most important thing that we can do and the most important contribution this Committee would have made would be to make the Senate get up and review this whole thing so that we can advice ourselves and the country.

The President: We should wind up on this. The message is very clear now. Senator Mohammed Ahmed and his team really have to do a more thorough investigative exercise on the issue of payment of pensions.

I will put the Question on Recommendations (6) and (7) and when we throw those one out, we would then proceed.

Recommendation (6) says: *Since the arrangement for payment of NCC Pensioners and other parastatals through insurance companies has failed, pensioners all over the nation should be paid directly through their individual bank accounts.*

Question put and negatived.

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Recommendation (7) says: *The retirees claimed that the 25 per cent of retirement Savings Account value paid to those who lost jobs as stipulated in Section 4(2) of the Act, is not enough to start any valuable business; they therefore demand 50 per cent.*

Question put and negatived.

Recommendation (8) which will now be Recommendation (4), we will re-word it properly to mean that it is our Committee here that should do that comprehensive report, similar to what Senator Sodangi did with FCT. Truly, you would have volumes, just as much as Senator Sodangi did, because there is no organisation today that is not complaining. Military officers come here, some die on the way, if you recall, on the Armed Forces Remembrance Day, Sgt. Sokoto, in fact, nobody even remembers; they just called him and he would go their, nobody would talk to him and he would go back. He is supposed to be on pension. Senators Mana and Akaagerger would say the same thing. Thank God that Senator Jibril Aminu is not going up and down for his own pension.

But there are so many people, NITEL, Railways; Prisons and Customs, who are not being paid pension; that we can even manage. The more disturbing thing is that they move them from one place to the other and when they go there, some of them would die in the process. They would go to a new place, a Police Constable would leave Maiduguri to Lagos, he knows nobody in Lagos, he never served in Lagos all his life; he would just go and the little he has would also be stolen from him when he gets to Lagos. It is a very sad situation in which we found ourselves in this country. Senator Mohammed Ahmed, your Committee would have to do something radical, drastic and very quickly, too.

Recommendation (8) would now read: *That there is need for a comprehensive review and evaluation of the operation of the Scheme in accordance with Section 88 of the Constitution.*

It is not a matter of four years now; this review is for your Committee Senator Ahmed. You will review it and submit a Report within four weeks. If you need extension of time you will come here and tell us.

Senator Teslim Kolawole Folarin: Mr. President, mine is additional information. I am saying that it should read as follows: *The Senate Committee on Establishment should comprehensively review and evaluate the operations of the Pensions Scheme and the Pensions Act and report back within four weeks.*

0300

The President: There are two reviews here. One is on the Act and the other one involves the payment and why there are delays.

Senator Teslim Kolawole Folarin: There is also the issue of investigation.

The President: Have you combined the two in the sentence you made?

Senator Teslim Kolawole Folarin: Yes.

The President: Thank you.

Amendment put and agreed to.

Question on Recommendation (4) as amended put and agreed to.

Senator Anyim Chukwu Ude: This is additional information, please: That all Anti-Corruption Agencies in Nigeria, EFCC, ICPC *et cetera*, should take urgent steps to rid the country Pensions Administrators of corrupt practices.

The President: We are already doing that because that is what Senator Ahmed's Committee is going to bring out. How do you know who to arrest if you do not know what has gone wrong?

Senator Mohammed Mana: Mr. President, arising from their findings on page 4, paragraph (2)(e) these ex-soldiers are actually the victims of all these. They are the ones that have been dying under the bridges. They are the ones who have been ticketing along the roads and this is because they did not attain the mandatory 15 years to qualify for military pensions and despite this fact, Mr. President, graciously approved that they should be paid. I, therefore, feel that we need to make a special recommendation to cover these soldiers. This is my suggestion along that line:

Mr. President having graciously approved the payment of pensions to medically boarded ex-soldiers who did not reach 15 years in service, should make the money immediately available to the Military Pensions Board to pay these soldiers.

The President: That is covered under recommendation (3) in the Supplementary Budget.

Several distinguished Senators: Yes.

The President: We would ensure it is there.

0301

Senator Ahmed, I do not know whether this would be a recommendation but we have expressed dismay at the deplorable and shady way in which these pension payments have all been made. Maybe, when you bring the other Report, you will express dismay at the way the old pension scheme is being administered. It is an embarrassment to this country and I think we should find a way to halt it.

I thank you very much. We have finished on that

Resolved: That:

2. Adequate provision be made in the budget and releases as and when due would ease the problem.
3. The National Salaries, Income and Wages Commission should review the pension rates in accordance with Section 173(3) of the 1999 Constitution.
4. Pension arrears should be treated as debt and adequate provision be made in Supplementary Budgets for their payment.
5. The Senate Committee on Establishment should comprehensively review and evaluate the operations of the Pensions Scheme and the Pensions Act and report back within four weeks.

Senator Teslim Folarin: Tomorrow is the burial of our former Colleague, Senator Mamman Ali. Many of our Colleagues have made their way to Potiskum and we believe that a number of our Colleagues here will also travel this afternoon. Therefore, to allow them enough time to prepare for this journey, I move that other items on the Order Paper be stood down till another legislative date.

Senator Maina Ma'aji Lawan: Mr. President, I rise to second the Motion as moved by the Senate Leader and in doing so, I would want to add that the plane would take off from Abuja at 8:00 a.m. Distinguished Senators should be at the Airport at 7:30 a.m. for the take off at 8:00 a.m.

Question put and agreed to.

0302

Resolved: That other items on the Order Paper be stood down till another legislative date.

ADJOURNMENT

Senator Teslim Kolawole Folarin: Mr. President, I move that this Senate do adjourn till Tuesday, 3rd February, 2009 at 10:00 a.m. prompt.

Senator Maina Ma'aji Lawan: Mr. President, I rise to second the Motion that this Senate do stand adjourned till Tuesday, 3rd February, 2009 at 10:00 a.m. prompt.

ANNOUNCEMENTS

Transport Arrangement to the Burial of Late Senator Mamman Bello Ali at Potiskum

The President: Before I put the Question, let me make a quick announcement. First, is to emphasise the departure time of the aircraft tomorrow. As there would be other guests, we should please ensure that we are there on time to be able to participate. It would be unfortunate if we go all the way to the venue only to find that the ceremony is over.

Transport Arrangement to the Wedding Fatiah of Governor Danjuma Goje' Son in Bauch

The second announcement is to remind distinguished Senators of their invitation to attend the wedding fatiah of the son of Governor Danjuma Goje, Ahmed Mohammed Goje, which will take place on Saturday, 31st January, 2009 at 11:00 a.m. Venue is the Emir's Place in Bauchi State. An aircraft has been provided to depart Abuja for Bauchi at 8 a.m and to return to Abuja at 3:00 p.m.

All Senators who wish to attend should send their names to distinguished Senator Idris Audu Umar.

Question put and agreed to.

Resolved: That the Senate do stand adjourned till Tuesday, 3rd February, 2009, at 10:00 a.m. prompt.

The Senate accordingly adjourned at 2.40 p.m.