

## **CONTRIBUTORY PENSION SCHEME AND GROWTH OF PARTICIPANTS OF NIGERIA IMMIGRATIONS AND PRISON WORKERS IN ENUGU STATE METROPOLIS, NIGERIA.**

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**Abstract:** *The study evaluated the contributory pension scheme and growth of participants of Nigeria Immigration and Prison workers in Enugu state, Metropolis, Nigeria. The specific objectives were to: examine the relationship between accrued rights and financial future of workers and ascertain the relationship between accumulated monthly pension contribution and physical expansion of workers. The descriptive survey design was used. The study adopted simple random sampling technique in selecting the sample unit and the population of the study was three and two (302) comprising of retirees and potential retirees from Enugu metropolis. The whole population was used due to small number. A total of 282 respondents returned the questionnaire accurately filled. Data were presented and analyzed using mean score and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Z - test. The findings indicated that accrued rights had positive significant relationship with financial future of workers  $Z(95, n = 282), 7.980 < 10.481, P. < .05$ . Accumulated monthly pension contribution had significant positive relationship with physical expansion of workers  $Z(95, n = 282), 5.657 < 9.915, P. < .05$ . The study concluded that accrued rights and accumulated monthly pension contribution had positive significant relationship with financial future of workers and physical expansion of workers. The study recommended among others that the non-implementation of workers' compensation should be taken serious and competent personnel should be employed to oversee the affairs of employee compensation as this will remove the challenges surrounding prompt payment and effectiveness in the civil service.*

**Keywords:** *Pension scheme, growth, accrued right, financial future, accumulated monthly pension, physical expansion of workers.*

### **INTRODUCTION**

#### **1.1 Background of the study**

The Administration of Pension in Nigeria have experienced inconsistency in policies due to its many challenges since inception- delay in payment of pensions and gratuities to deserving retirees in

Nigeria fueled by lack of accountability, poor leadership, embezzlement of pension fund, inaccurate pensioners records. The Contributory Pension Scheme was inevitable in view of the problems associated with the old Scheme, such as coverage, funding, transparency, and lack of supervisory and regulatory authority resulting in inadequate implementation.

A pension is a retirement fund for a formal employee and is paid into the employee's Retirement Savings Account (RSA) by the employer. The employer contributes 10% while the employee contributes 8% of his/her gross salary to his/her Retirement Savings Account. On reaching a certain age or based on a health condition an annuity is paid to the employee and is calculated by the terms of the pension. The pension system in Nigeria presently functions through the implementation of the Contributory Pension Scheme (CPS). Under this system, the management of pension funds is entrusted solely to licensed Pension Fund Administrators (PFA), while the safekeeping of pension assets in trust for contributors is the responsibility of Pension Fund Custodians (PFCs) <https://www.penop.com.ng/contributory-pension-scheme>. Although the new reform is guided by the key principles of sustainability, accountability, equity, flexibility and practicability, there is also this fear that funds or Retirees Savings Account (RSA) contributory can be mismanaged by the existing trustees. Also, risk of a given portfolio determines the return thereof. Some pension fund administrators do not have the necessary risk management profile while some fail to pay regard to rating signals needed to making sound investment decision. The decision of investment managers of the pension fund administrators who are responsible for this process impact greatly on the contribution value due to employees (fund owners). Sound investment and efficient management of the huge pension fund assets have great implication on the economy. The spread of large accumulated fund to the capital and money markets are employment opportunities creation (Abdullahi et al., 2022).

Growth of participants means that public sector outputs efficiently contribute to policy objectives. Employees enter the workforce with unique experience and backgrounds that affect their perception of work rules, expectations of work, and personal concerns. The growth of the Nigerian civil service in recent times has been a major source of worry to Nigerians due to its negative impact on national development. The growth orientation in the public sector means that achievements matter, as well as probity and economy and that managers or agencies should pursue defined standards (The World Bank, 2014). In budget formulation and program planning, a growth orientation rests on the robust use of performance monitoring and evaluation information at key decision points, combined with a budget structure in which the costs and benefits of major programs can be identified. The contributory pension scheme covers all employees in the Public Service of the Federation, Public Service of the Federal Capital Territory, States, and Local Governments, the Private Sector. Gratuity that is taken for granted elsewhere is the first battleground. Most public servants in Nigeria find it hard to live a meaningful life after retirement as a result of both failures of the governments towards

provision for pensioners and also that of the retirees for the rainy day (Okoroafor, Okonkwo and Mbah, 2024).

### **1.2 Statement of the study**

A pension scheme is a scheme or other arrangement which is comprised in one or more instruments or agreements, having or capable of having effect so as to provide benefits to or in respect of persons on retirement, on death, on having reached a particular age, on the onset of serious ill-health or incapacity or in similar circumstances. The Contributory Pension Scheme is a welcome idea which when properly implemented will eradicate the pensioners harsh life thereby making their dream a reality.

As individuals approaches retirement age, the prayer from friends and family is simply that one lives not only to receive his/her retirement benefits but to live long to enjoy the benefits. But the reverse has been the case to that of public service workers in Nigeria. In Nigeria, the non-contributory pension scheme faces a lot of administrative embezzlement of pension funds, and delay in the payment of retirement benefits to retirees and on time. Consequently, the proportion of persons entitled to pension is, thus, rising and so is the volume of total pensions required to support these individuals who, for a complex mix of social, economic and psychological factors, can no longer support themselves through participation in the labour market.

The consequences of this if not tackled will lead poverty, due to loss or reduction of earning power, the increasing prevalence of chronic diseases, with the accompanying increased healthcare utilization and financial burdens. Therefore, the study aimed at evaluating contributory pension scheme and growth of participants of Nigeria Immigrations and Prison workers in Enugu state Metropolis, Nigeria.

### **1.3 Objectives of the study**

The main objective of the study was to evaluate the relationship between contributory pension scheme and growth of participants of immigration and prison workers in Enugu offices. The specific objectives were to:

- i. Examine the relationship between accrued rights and financial future of workers at the Nigeria immigration and Nigerian Prison Headquarters in Enugu state.
- ii. Ascertain the relationship between accumulated monthly pension contribution and physical expansion of workers at the Nigeria immigration and Nigerian Prison Headquarters in Enugu state.

### **1.4 Research Questions**

- i. What is the relationship between accrued rights and financial future of workers at the Nigeria immigration and Nigerian Prison Headquarters in Enugu state?
- ii. What is the relationship between accumulated monthly pension contribution and physical expansion of workers at the Nigeria immigration and Nigerian Prison Headquarters in Enugu state?

### **1.5 Statement of Hypothesis**

i. There is no positive relationship between accrual rights and financial future of workers at the Nigeria immigration and Nigerian Prison Headquarters in Enugu state.

ii. There is no positive relationship between accumulated monthly pension contribution and physical expansion of workers at the Nigeria immigration and Nigerian Prison Headquarters in Enugu state.

### **1.6 Significance of the study**

The study of the pension system helps policymakers understand the effectiveness of the scheme and informs decisions on improving pension policies to encourage more participation and better outcomes for all involved.

Researchers and policymakers can use data from pension fund growth and participation trends to forecast economic trends, including the potential impacts of demographic changes (e.g., aging population) on pension needs and the economy.

As the pension system evolves, financial institutions can benefit by offering a range of services like insurance, investment, and advisory products tailored to individuals and corporate clients involved in the pension system.

### **1.7 Scope of the study**

The scope of the study was on contributory pension scheme and growth of participants of Nigeria Immigration and Nigerian Prison workers in Enugu state Metropolis, Nigeria. The issues include: accrued rights and accumulated monthly pension contribution as independent variables while financial future of workers and physical expansion of workers as dependable variables.

## **REVIEW OF THE RELATED LITERATURE**

### **2.1 Conceptual Reviews**

#### **2.1.1 Contributory Pension Scheme**

Contributory Pension Scheme (CPS) is an arrangement where both the employer and the employee contribute a portion of an employee's monthly emolument towards the payment of the employee's pension at retirement. Under the CPS, both the employer and employee contribute certain percentages of the employee's monthly emoluments to build a retirement fund from which benefits are paid at retirement while under the Defined Benefits (DB) Scheme, total pension obligation is borne by the employer, (Pencom, 2020). A lot of the federal government and state employees that left service about a year ago were yet to start receiving their pension payments from their Pension Fund Administrators. This was due to delay or nonpayment of their accrued rights from their employers. Some of the retirees have died without collecting their entitlements. Current workers are also not that hopeful that they would be receiving their entitlements as and when due as result of this lingering problem, (Ezeala, 2020).

## **Component of Contributory Pension scheme used in the study**

### **2.1.1.1 Accrued rights**

An Accrued Rights Clause in contracts preserves the rights and obligations of parties that have already arisen before the contract's termination or expiration. It ensures that rights accrued under the agreement remain enforceable, offering legal clarity and protection even after the contract concludes, (Contractken, 2023). The right and duties of the parties following a contractor's determination of employment under the contract (remedies of either party). Such rights also give powers to contract administrators to issue instructions, in relation to work already completed, e.g. for defective work

### **2.1.1.2 Accumulated monthly Pension Contribution**

A key feature of the Contributory Pension Scheme (CPS) is the periodic growth in the pension contributions of Retirement Savings Account (RSAs) holders for active employees/workers. This means that workers who participate in the CPS are assured of their pension contributions at retirement and returns accrued over time from the investment of their contributions, (Thisdaylive, 2024). Contributory Pension Scheme (CPS) is an arrangement where both the employer and the employee contribute a portion of an employee's monthly emolument towards the payment of the employee's pension at retirement. According to Nigeria Pension Commission, employee is expected to contribute 8% of the sum of his basic salary, housing allowance, and transport allowance. The employer however is required to contribute minimum of 10% of the same sum, (Pencom, 2020).

### **2.1.2 Growth**

Growth refers to a physical increase in some quantity over time. It includes changes in terms of height, weight, body proportions, and general physical appearance. In Encyclopedia Britannica, growth is defined as "an increase in size or the amount of an entity". It means growth involves all those structural and physiological changes that take place within an individual during the process of maturation. Growth refers to an increase in physical size of whole or any of its part and can be measured, (SocialWorkin, 2021). Growth is defined as an irreversible constant increase in size, and development. The process or act of growing, esp in organisms following assimilation of food. Balasundaram, P (2023).

## **Components of growth used in the study**

### **2.1.2.1 Financial future of workers**

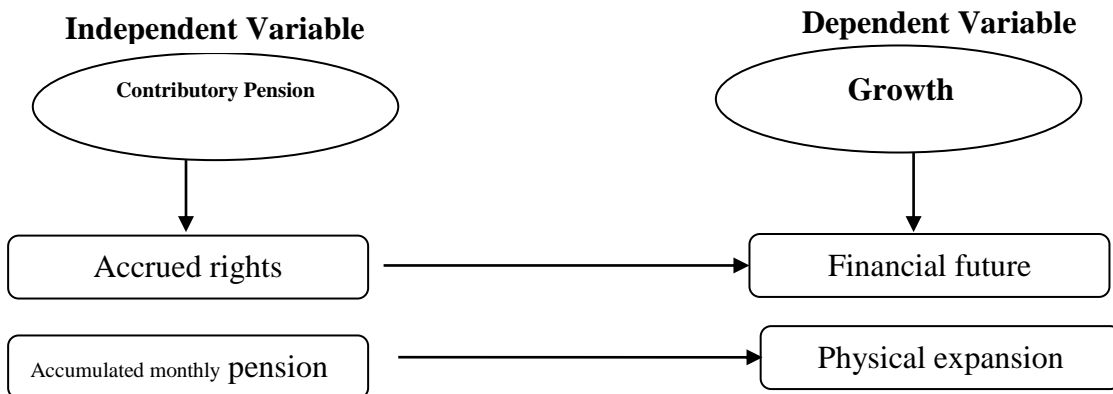
As we progress through the 21<sup>st</sup> century, the concept of employee wellness has evolved significantly. While physical and mental health has long been focal points, financial wellness has emerged as a critical component of overall well-being. Employers are now recognizing that a financially secure workforce is more productive, engaged, and loyal. This article delves into the current trends, strategies, and benefits of employee financial wellness programs, (Giles I (2024). In the United States, a dominant narrative that having a job equals financial security persists, yet the majority of workers in America have jobs that do not allow them to achieve financial security. In fact, many workers lack

benefits, have low earnings, and live in poverty. The type of job matters: workers with full-time, permanent positions and more robust packages of benefits do better than those without access to those options, (Aspeninstitute, 2021).

### 2.1.2.2 Physical Expansion

Physical expansion expresses the increase in the urban structure within the city, and its outskirts, and that process is accompanied by a change in the use of the land Physical expansion is defined as the crafting of abstract material elements in a social and cultural tone into configurations of durability and functional utility. The term expansion indicates to increase the dimensions of the built field in the vertical and horizontal direction (Hamza, Maryam Baghloul, 2010). Population growth and rapid urbanization growth in recent decades have not only led to unbalanced physical expansion of cities, but also contributed to growth and development of cities. The outward mode of growth befits a nation with abundant space, a young and expanding population, plentiful energy resources and a dynamic economy. Patterns of physical expansion includes horizontal expansion, vertical expansion and expansion on establishing new neighborhoods (Hamza and Baghloul, 2015).

### 2.1.3 Conceptual Framework



**Fig 2.1** Conceptual Framework Model

**Source:** Researcher, 2024

### 2.2 Theoretical Framework

#### Life-Cycle Income Theory Guided the study by Fisher (2010)

This theory according to Fisher (2010), posits that it is an economic theory that is based on spending and saving of people over the course of a lifetime. The theory states that the individuals seek to smooth consumption throughout their lifetime by borrowing when their income is low and saving when income is high. In the context of this study, it is a known fact that employees make savings through counterpart contribution from their income to the pension commission. Modigliani was awarded the Nobel Prize for his pioneering research in several fields of economic theory that had practical

applications. One of these was his analysis of personal savings, termed the life-cycle theory. The theory posits that individuals build up a store of wealth during their younger working lives not to pass on these savings to their descendents but to consume during their own old age. The theory helped explain the varying rates of savings in societies with relatively younger or older populations and proved useful in predicting the future effects of various pension plans (Modigliani, 1988).

### **2.3 Empirical Review**

#### **2.3.1 Accrued rights and financial future of workers**

Ameh, Ajie & Isiwu (2017) conducted a study on the impact of contributory pension scheme on economic growth in Nigeria. Data for the study were sourced from various issues of Pen Com Annual Reports and World Bank Development Indicators (database). The data were computed with the use of Statistical Package for Social Sciences (SPSS). It was concluded that pension fund assets and pension contribution /savings mobilized over the years have positive but insignificant impact on economic growth. The implication of this finding is that the authorities concerned have not been able to use the pension fund asset and savings mobilized to boost economic growth in Nigeria.

Dawodu, (2018) conducted a study on the jurisprudential perspective, there are certain ideals that must be present one of which is social justice. These ideals are aspirations and the nearer a society is to these aspirations, the better the society is. In a country like Nigeria, pension is one of the social objectives in partial fulfillment of the ideals present in Chapter 2 of the 1999 Constitution of Nigeria (as amended 2011) and as such how this ideal is achieved is required to be examined. This research work analysed pension, how it differs from annuity or gratuity or other similar terms; the essence of pensions, the various classes of pensions. The doctrinal approach of information gathering were employed and comparative, content analysis and historical methods of research were used relying on primary sources like legislations, case laws and secondary sources such as textbooks, journals, seminar papers, newspaper articles and online sources. It was discovered that despite the New Pension Reform Act 2014, there are still delays in the payment of pensions; also, some states are yet to fully incorporate the provisions of the new Act on pension. It was found that there is no central record keeping agency for pension data; no electronic database for pension and pensioners goes through cumbersome verification process every time pensions are to be paid. It was also discovered that pension administration is still be deviled with corruption. The study was concluded on the note that despite the provisions of the Pension Reform Act 2014, there are still challenges facing pension administration in Nigeria.

Basiglio & Oggero (2020) conducted a study on the effects of pension information on different individuals' economic outcomes. While many studies show that information provision increases knowledge, the evidence is mixed regarding its effects on behavior. Nevertheless, we draw some conclusions about the impact of pension information on three major economic outcomes, namely, retirement planning, choices pertaining individuals' labor supply, and savings decisions. We also

highlight that the lack of knowledge prevalently hits the most vulnerable individuals in the society, such as women. As a consequence, not providing sufficient information could contribute to widening the gender gap in pensions.

Ndema (2022) conducted a study on the “Effect of Strategic Labour Unionism on Workers Welfare in Enugu State Public Service. The researcher sought to ascertain the extent to which labour unionism has guaranteed job security for workers in Enugu State; determine the extent to which workers unions have assisted to ensure timely promotion of workers in Enugu State; investigate the contributions of workers unions on regular provision of training programmes for workers in Enugu State; and ascertain the extent to which effective labour unionism has assured timely payment of pension and gratuities to retirees in Enugu State. Plurarism theory propounded by Flanders and Fox (1970) was used as the theoretical framework of the study. Secondary sources of data collection were utilized. Materials generated were analyzed contextually. The outcome of the study showed that effective unionism is lacking in Enugu State from 2015 till date consequent upon the harsh political environment under which unions operate in the state. Hence, Welfare of workers such as job security, timely promotion with commensurate financial benefits, regular training programmes and pension and gratuities benefits are hardly provided as and when due. All these have resulted to poverty, hunger, lack of interests to assigned responsibilities, etc among workers across government establishments in Enugu State.

Kotun, Adeoye, and Akingbade, (2023) conducted a study on contributory pension scheme and the risks entailed in management of retirement benefits of Lagos State Public Service workers. Although at the inception of the scheme in Nigeria, government workers were not duly informed and sensitized about the new pension scheme but they could not out-rightly refuse its acceptability with the fear of not losing their pensionable employment. This however, led to wrongly enrolment into the scheme by those who were exempted from the scheme as of the commencement date. Survey research design was adopted for the study. Population of the study covered potential retirees who attended bi-annual pre-retirement seminar organised by Lagos State Pension Commission. One Hundred and Eighty-Seven (187) was the sample size for the study and questionnaires were proportionately distributed to selected respondent, using convenient sampling techniques. Out of the total number of the copies of the questionnaires administered, One Hundred and Sixty-Six (166) copies of questionnaire were correctly filled and retrieved representing 88.77% and were used to analyse data. Analysis was done using Correlation Analysis with the aid of Statistical Package of Social Sciences (SPSS). The findings revealed that there is a positive correlation between employee’s contributions and remittances. Also, there is a moderate positive correlation on influence of accrued rights on employees’ retirement benefits. Likewise, escrow fund has positive relationship with employees’ retirement plan.

### **2.3.2 Accumulated monthly pension contribution and physical expansion of workers**

Kotun, Adeoye & Alaka (2016) conducted a study on the justification for the contributory pension scheme as part of its values and determined their implications for public servants’ productivity and pensioners welfare in Lagos State. The methodology employed to achieve these objectives was carried

out through primary source of information and personal interview. The primary source involved field survey that consists of administering questionnaire. The sample size is one hundred and twenty respondents (120). Simple random sampling method was used in administering the questionnaire. The data collected was analyzed statistically in form of tabular presentation with the aid of Statistical Package for Social Sciences (SPSS) version 21. Two hypotheses were tested. The result of the analyses reveals that there is significant relationship between adequate retirement package and employees' productivity and that it has a positive impact on the organization efficiency. Both empirical study and oral interview conducted however, found that the contributory pension scheme (CPS) has positive potentials over the defined benefits pension scheme (DBPS).

Okechukwu, Nebo, & Eze, (2016) conducted a study on Management of pension schemes in Nigeria has been characterized by multiple and diverse problems despite several modifications of the pension schemes by the government. The study examined the extent strategies adopted for pension management can enhance employees' confidence in the scheme. The study adopted a survey design. The data were analyzed using tables, frequencies, and mean. Z- Test was used to test the hypotheses at 0.05 significance. It was revealed that to a very large extent strategies adopted for pension and retirement management can enhance employees' confidence in the management of the schemes.

Odo, Orga, and Ozoemenam, (2019) conducted a study on the compliance status of the Federal, State and private sector pension systems in Nigeria after the reform in 2004 that changed the funding strategy from pay-as-you-go to the contributory modality. It first spotlighted the grim factors of the old pension system that made reform inevitable. The paper in the main argues that compliance with the provisions of the law remains the only guarantee of workers' retirement future. It further points out the specific role labour leadership must play in this regard. The paper disclosed that the observed failure to implement the provisions of the law across the tiers, especially the federal and state government segments, arose in part due to a conspiracy of factors, including, recession, legislative loopholes, supervisory negligence, and absence of sustained engagement of labour leadership with employers across the tiers.

Yang, Ren, & Zheng (2023) conducted a study on the Pension insurance is an essential safeguard for the quality of life and health of older adults because it provides a stable and dependable source of income after retirement. China has constructed a multi-level social security system to accommodate the diverse needs of older adults, and offers various levels of pension insurance to maximize their interests. This study uses propensity score matching and ordinary least squares techniques to analyze 7,359 data from the 2018 China Health and Retirement Longitudinal Study (CHARLS) in order to explore the relationship between different pension insurance categories and the health of older individuals. The research findings reveal that advanced insurances greatly benefit the health of older adults more than basic pension insurances, and the findings pass the robustness test. In addition, the

effect was found to be heterogeneous, depending on the location of retirement and the marital status of older adults.

Ajala (2022) conducted a study on financial security of civil servants in Ogun State. An employee who has worked for an organization for some years is entitled to some benefits which could be in form of gratuity and pension payable to such employee by its employer or an agent at the time of retirement or withdrawal of service. This paper examined how contributory pension funds contribute to the financial security of civil servants in Ogun State. The descriptive survey research design of the ex-post facto type was used for the study. The population of the study was made up of civil servants in Ogun State, Nigeria. Purposive and random sampling techniques were used to select one hundred and eighty respondents from five ministries/departments. The main instrument used was a self-constructed questionnaire tagged "Contributory Pension Fund and Workers Financial Security in Ogun State, Nigeria" with three subsections. Mean, Standard deviation and One-way Analysis of variance (ANOVA) were used to analyze the data collected at 0.05 level of significance. Findings of the study show the contributory pension scheme has a significant effect on workers' savings. Also, contributory pension scheme has significant effect on workers' investment.

#### **2.4 Summary and Gap in Empirical Review**

The studies done were carried outside effect of contributory pension scheme and growth of participants in Nigeria and did not focus to best of my knowledge on the accrued rights and financial future of workers; and accumulated monthly pension contribution and physical expansion of workers. Most of the studies reviewed analysed their data through A purposeful sampling technique, Descriptive statistics and appropriate inferential statistics, Purposive Sampling technique, Pearson Moment Correlation Coefficient, Multiple sampling technique, Partial Least Square Structural Equation Modeling (PLS-SEM), Multiple Regression Analysis (MRA) method, Simple linear regression and Pearson correlation coefficient (r) while the present study made use of Z test to test the hypotheses. Therefore, the study aimed at filling this research gap by evaluating the effect of contributory pension scheme and growth of participants in Nigeria.

### **METHODOLOGY**

#### **3.1 Research Design**

The study employed descriptive survey design. The survey design was adopted because the study requires a technique of observation such as questionnaire and or interview, the population of the study must be carefully chosen, clearly defined and specifically delimited and roles upon observation for the acquisition of data.

#### **3.2 Source of Data**

Data are classified as either primary or secondary data. The classification was based on the two possible sources: primary source and secondary source.

##### **3.2.1 Primary Source**

The primary source were the employees who has worked for immigration and pension offices for some years and is entitled to some benefits which could be in form of gratuity and pension payable to

such employee by its employer or an agent at the time of retirement or withdrawal of service. The administration of questionnaire was used.

**3.2.2 Sources of Secondary Data**

Secondary data source is the one which the data is obtained from published materials, internet websites, reports, dailies, text books and so on from the library of the institutions understudy. Sources of secondary can be split into two parts internal and external sources.

**3.3 Area of Study**

The area of the study was Enugu State Nigerian immigration and Prision staff in Enugu Metropolitan offices.

**3.4 Population of the Study**

The population of the study was three hundred and two (302) comprising of retirees and potential retirees from Enugu metropolis using correctional service and Nigeria Immigration services.

**3.5 Sample Size Determination**

The whole population was used due to small number

**3.6. Sampling Technique**

The simple random sampling with a random start was adopted so as to give everybody equal opportunity of being selected into sample.

**3.7 Instrument for Data Collection**

The main instrument for data collection was structured questionnaire. Copies of the questionnaire were administered to the immigration and pension staff. Ten (10) designed questionnaires were used. The responses generated were used thereafter for data analyses.

**3.8 Validity of the Instrument**

The instrument was given to two experts from the industry and academia to measure face and content validity. To make sure that the research instruments applied in the work are valid, the research ensured that the instrument measure the concept they are supposed to measure.

**3.9 Reliability of the Research Instrument**

This was done by administering 20 copies of the prepared questionnaire to the sample of the study. Cronbah’s Alpha was used in determining the extent of consistency of the reliability. A Cronbach’s alpha value ( $\infty$ ) of greater 0.740 indicated very strong reliability.

**Scale: ALL VARIABLES**

**Case Processing Summary**

		N	%
Cases	Valid	10	100.0
	Excluded	0	.0
	Total	10	100.0

a. Listwise deletion based on all variables in the procedure.

**Reliability Statistics**

<b>Cronbach's Alpha</b>	<b>No. of Items</b>
.740	10

Scale reliabilities were calculated using Cronbach's Alpha; the result obtained was 0.740. This shows that the internal consistency of the scale is good for the purpose of this study because it is greater than 0.740 which was good.

**3.10 Method of Data Analyses**

Data from the questionnaire were analyzed with the aid of SPSS version 23 using simple, percentages and correlation co-efficient. Data from the questionnaire were further analyzed using simple percentages, mean and standard deviation. For the 5-point likert scale questions, the scale and decision rule stated below were used in analysing the findings.

**Scale:** Strongly Agree (SA) -5, Agree (A) - 4, Neutral(N) -3, Disagree (D) -2, Strongly Disagree (SD),<sup>1</sup>

**Decision Rule:** If mean  $\geq 3.0$ , the respondents agree and If mean  $\leq 3.0$ , the respondents disagree. The decision rule is to accept the null hypothesis if the computed r is less than the tabulated r otherwise rejects the null hypothesis and Z - test was used to test the hypotheses and analyzed with the aid of SPSS.

**DATA PRESENTATION, ANALYSES AND INTERPRETATION**

**4.1 Distribution and returned Questionnaire**

The chapter presents and analyzes the data collected for the study. The presentation and interpretation of data were based on the questionnaire administrated to the retirees and potential retirees under study.

**Table 4.1 Distribution and Return of the Questionnaire**

<b>Firms</b>	<b>Distributed</b>	<b>No Returned</b>	<b>percent</b>	<b>No not Returned</b>	<b>Percent</b>
1. The retirees and potential retirees	302	282	93	20	7
<b>Total</b>	<b>302</b>	<b>282</b>	<b>93</b>	<b>20</b>	<b>7</b>

**Source: Field Survey, 2024**

Three hundred and two (302) copies of the questionnaire were distributed to the respondents and two hundred and eighty-two (282) copies were returned representing Ninety-three (93) percent, while twenty (20) copies of the questionnaire were not returned representing seven (7) percent. That showed a high rate of response.

**4.2 Data Presentation**

**Table 4.2.1: Responses on the relationship between accrued rights and financial future of workers**

		<b>5</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>ΣFX</b>	<b>-</b>	<b>SD</b>	<b>Decision</b>
		<b>SA</b>	<b>A</b>	<b>N</b>	<b>DA</b>	<b>SD</b>		<b>X</b>		
1	The accrued benefits based on the length serve addresses the unique needs of retirees.	670 134 47.5	252 63 22.3	99 33 11.7	46 23 8.2	29 29 10.3	1096 282 100%	3.89	1.356	Agree
2	Earned benefits based on the amount of accumulated pension promoted the financial aspirations of each individual.	880 176 62.4	148 37 13.1	66 22 7.8	52 26 9.2	21 21 7.4	1167 282 100%	4.14	1.315	Agree
3	The pensionable service built up based on a particular age enhanced the wellness programs of the retirees.	600 120 42.6	296 74 26.2	54 18 6.4	92 46 16.	24 24 8.5	1066 282 100%	3.78	1.366	Agree
4	The pension awards already received impacts on positively on the financial planning assistance of the retirees.	625 125 44.3	440 88 31.2	57 19 6.7	30 15 5.3	35 35 12.4	1187 282 100%	3.90	1.355	Agree
5	Earned pension built up to a given date helps the retirees cater to specific life situations or goals.	825 165 58.5	300 75 26.6	54 18 6.4	12 6 2.1	18 18 6.4	1209 282 100%	3.29	1.109	Agree
<b>Total Grand mean and standard deviation</b>								<b>3.80</b>	<b>1.264</b>	<b>2</b>

**Source: Field Survey, 2024**

Table 4.2.1, 197 respondents out of 282 representing 69.8 percent agreed that the accrued benefits based on the length serve addresses the unique needs of retirees with mean score 3.89 and standard deviation of 1.356. Earned benefits based on the amount of accumulated pension promoted the financial aspirations of each individual’s 213 respondents representing 75.5 percent agreed with mean score of 4.14 and standard deviation of 1.315. The pensionable service built up based on a particular age enhanced the wellness programs of the retirees 194 respondents representing 68.8 percent agreed with mean score of 3.78 and standard deviation of 1.366. The pension awards already received impacts on positively on the financial planning assistance of the retirees 213 respondents representing 75.5 percent agreed with mean score of 3.90 and 1.355. Earned pension built up to a given date helps the retirees cater to specific life situations or goals 240 respondents representing 85.1 percent agreed with a mean score of 3.29 and standard deviation 1.109.

**4.2.2 The relationship between accumulated monthly pension contribution and physical expansion of workers**

**Table 4.2.2.1: Responses on the relationship between accumulated monthly pension contribution and physical expansion of workers**

		5	4	3	2	1	ΣFX	-	SD	Decision	
		SA	A	N	DA	SD		X			
1	Investment income contributions have helped various investment opportunities.	705 141 50.0	384 96 34.0	39 13 4.6	36 18 6.4	14 14 5.0	1178 282 100%	4.18	1.105	Agree	
2	A monthly pension payment contributes to economic growth and development.	440 88 31.2	452 113 40.1	39 13 4.6	92 46 16.	22 22 7.8	1045 282 100%	3.71	1.277	Agree	
3	A lump-sum payout gives flexibility and stimulating entrepreneurship.	475 95 33.7	80 20 7.1	312 104 36.9	82 41 14.	22 22 7.8	971 282 100%	3.44	1.298	Agree	
4	The purchase of income annuity as a result of monthly pension contribution helps create job opportunities.	830 166 58.9	80 20 7.1	117 39 13.8	62 31 11.0	26 26 9.2	1115 282 100%	3.95	1.415	Agree	
5	The accumulated pension wealth help safeguard financial well-being and protection.	625 125 44.3	80 20 7.1	249 83 29.4	52 26 9.2	28 28 9.9	1034 282 100%	3.67	1.377	Agree	
<b>Total Grand mean and standard deviation</b>								<b>3.68</b>	<b>1.294</b>	<b>2</b>	<b>4</b>

**Source: Field Survey, 2024**

Table 4.2.2.1, 237 respondents out of 282 representing 84.0 percent agreed that Investment income contributions have helped various investment opportunities with mean score 4.18 and standard deviation of 1.105. A monthly pension payment contributes to economic growth and development 201 respondents representing 84.0 percent agreed with mean score of 3.71 and standard deviation of 1.277. A lump-sum payout gives flexibility and stimulating entrepreneurship 115 respondents representing 40.8 percent agreed with mean score of 3.44 and standard deviation of 1.298. The purchase of income annuity as a result of monthly pension contribution helps create job opportunities 186 respondents representing 92.0 percent agreed with mean score of 3.95 and 1.415. The accumulated pension wealth help safeguard financial well-being and protection 145 respondents representing 51.4 percent agreed with a mean score of 3.67 and standard deviation 1.377.

**4.3 Test of Hypotheses**

**4.3.1 Hypothesis One: Accrued rights have relationship with financial future of workers**

**One-Sample Kolmogorov-Smirnov Test**

	The accrued benefits based on the length serve addresses the unique needs of retirees.	Earned benefits based on the amount accumulated pension promoted the financial aspirations of each individual.	The pensionable service built up based on a particular age enhanced the wellness programs of the retirees.	The pension awards already received impacts positively on the financial planning assistance of the retirees.	Earned pension built up to a given date helps the retirees cater to specific life situations or goals.	
N	282	282	282	282	282	
Uniform Parameters <sup>a, b</sup>	Minimum	1	1	1	1	
	Maximum	5	5	5	5	
	Absolute	.475	.624	.438	.505	.601
Most Extreme Differences	Positive	.103	.074	.085	.124	.064
	Negative	-.475	-.624	-.438	-.505	-.601
Kolmogorov-Smirnov Z	7.980	10.481	7.354	8.486	10.094	
Asymp. Sig. (2-tailed)	.000	.000	.000	.000	.000	

a. Test distribution is Uniform.

b. Calculated from data.

**Decision Rule**

If the calculated Z-value is greater than the critical Z-value (i.e  $Z_{cal} > Z_{critical}$ ), reject the null hypothesis and accept the alternative hypothesis accordingly.

**Result**

With Kolmogorov-Smirnon Z – value ranges from  $7.980 < 10.481$  and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that *accrued rights had positive significant relationship with financial future of workers.*

**Decision**

Furthermore, comparing the calculated Z- value ranges from  $7.980 < 10.481$  against the critical Z-value of 0.000(2-tailed test at 95 percent level of confidence) the null hypothesis was rejected. Thus, the alternative hypothesis was accepted which states that *accrued rights had positive significant relationship with financial future of workers.*

**4.3.2 Hypothesis Two: Accumulated monthly pension contribution has relationship with physical expansion of workers.**

**One-Sample Kolmogorov-Smirnov Test**

		Investment contributions helped investment opportunities.	income have various	A monthly pension payment to economic growth and development.	A lump-sum payout gives flexibility and stimulating entrepreneurship.	The purchase of income annuity as a result of monthly pension contribution helps create job opportunities.	The accumulated pension wealth help safeguard financial well-being and protection.
N		282	282	282	282	282	282
Uniform Parameters <sup>a, b</sup>	Minimum	1	1	1	1	1	1
	Maximum	5	5	5	5	5	5
Most Extreme Differences	Absolute	.590	.463	.337	.589	.443	
	Positive	.050	.078	.092	.092	.099	
	Negative	-.590	-.463	-.337	-.589	-.443	
Kolmogorov-Smirnov Z		9.915	7.771	5.657	9.885	7.444	
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000	

a. Test distribution is Uniform.

b. Calculated from data.

**Decision Rule**

If the calculated Z-value is greater than the critical Z-value (i.e  $Z_{cal} > Z_{critical}$ ), reject the null hypothesis and accept the alternative hypothesis accordingly.

**Result**

With Kolmogorov-Smirnon Z – value ranges from  $5.657 < 9.915$  and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that **Accumulated monthly pension contribution had significant positive relationship with physical expansion of workers.**

**Decision**

Furthermore, comparing the calculated Z- value ranges from  $5.657 < 9.915$  against the critical Z- value of 0.000 (2-tailed test at 95 percent level of confidence) the null hypothesis was rejected. Thus, the alternative hypothesis was accepted which states that **Accumulated monthly pension contribution had significant positive relationship with physical expansion of workers.**

**4.4 Discussion of Findings**

**4.4.1 Accrued rights has relationship with financial future of workers**

From the result of hypothesis one, the calculated Z- value ranges from  $7.980 < 10.481$  against the critical Z- value of 0.000 which implies that **accrued rights had positive significant relationship with financial future of workers. In the support of the literature review, Ameh, Ajie & Isiwu (2017) conducted a study on the impact of contributory pension scheme on economic growth in Nigeria. It was concluded that pension fund assets and pension contribution /savings mobilized over the years have positive but insignificant impact on economic growth.**

Kotun, Adeoye, and Akingbade, (2023) conducted a study on contributory pension scheme and the risks entailed in management of retirement benefits of Lagos State Public Service workers. The

findings revealed that there is a moderate positive correlation on influence of accrued rights on employees' retirement benefits. Likewise, escrow fund has positive relationship with employees' retirement plan.

#### **4.4.2 Accumulated monthly pension contribution has relationship with physical expansion of workers.**

From the result of hypothesis two, the calculated Z- value ranges from  $5.657 < 9.915$  against the critical Z- value of 0.000 which implies that **accumulated monthly pension contribution had significant positive relationship with physical expansion of workers. In the support of the literature review**, Kotun, Adeoye & Alaka (2016) conducted a study on the justification for the contributory pension scheme as part of its values and determined their implications for public servants' productivity and pensioners welfare in Lagos State. The result of the analyses reveals that there is significant relationship between adequate retirement package and employees' productivity and that it has a positive impact on the organization efficiency. Okechukwu, Nebo, & Eze, (2016) conducted a study on Management of pension schemes in Nigeria It was revealed that to a very large extent strategies adopted for pension and retirement management can enhance employees' confidence in the management of the schemes.

### **SUMMARY OF THE FINDINGS, CONCLUSION, RECOMMENDATIONS AND CONTRIBUTION TO KNOWLEDGE**

#### **5.1 Summary of the findings**

- i.** Accrued rights had positive significant relationship with financial future of workers  $Z(95, n = 282), 7.980 < 10.481, P. < .05$
- ii.** Accumulated monthly pension contribution had significant positive relationship with physical expansion of workers  $Z(95, n = 282), 5.657 < 9.915, P. < .05$ .

#### **5.2 Conclusion**

The concluded that accrued rights and accumulated monthly pension contribution had positive significant relationship with financial future of workers and physical expansion of workers. The Contributory Pension Scheme in Nigeria benefits the economy by channeling pension funds into various investment opportunities. These investments contribute to economic growth and development, creating job opportunities and stimulating entrepreneurship. Pension funds play an important role in the economy by investing in a range of assets, mobilizing savings, supporting economic growth, and providing retirement income for retirees.

#### **5.3 Recommendations**

- i.** The study recommended that the non-implementation of workers' compensation should be taken serious and competent personnel should be employed to oversee the affairs of employee compensation as this will remove the challenges surrounding prompt payment and effectiveness in the civil service.

ii. The Pension funds management should provide an avenue for all citizens to take control of their financial destinies. This self-directed approach empowers us all to accumulate wealth

#### **5.4 Contribution to Knowledge.**

The studies done were carried outside effect of contributory pension scheme and growth of participants in Nigeria and did not focus to best of my knowledge on the accrued rights and financial future of workers; and accumulated monthly pension contribution and physical expansion of workers. Most of the studies reviewed analyzed their data through A purposeful sampling technique, Descriptive statistics and appropriate inferential statistics, Purposive Sampling technique, Pearson Moment Correlation Coefficient, Multiple sampling technique, Partial Least Square Structural Equation Modeling (PLS-SEM), Multiple Regression Analysis (MRA) method, Simple linear regression and Pearson correlation coefficient ( $r$ ) while the present study made use of Z test to test the hypotheses. Therefore, the study aimed at filling this research gap by evaluating the effect of contributory pension scheme and growth of participants in Nigeria.

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