

# Trustfund Pensions Plc

Newsletter: August, 2014

## Trustfund Tasks Pensioners, Workers on Physical Fitness

### OUR VALUES & PRINCIPLES

- ✓We are conservative.
- ✓We are dependable.
- ✓We promise good returns without taking unnecessarily high risks.
- ✓We are a commercially oriented, for profit enterprise.
- ✓We have a passion for service.



FROM RIGHT: Managing Director, Mrs. Helen Da-Souza, Former permanent Secretary, Ministry of Labour, Timiebi Karipama-Agary, Executive Director Corporate services, Musa Nasr, Labour Activist, Comrade Peace Obiajulu, during Trustfund Walk For Life Fitness Programme, held in Abuja recently.

**R**egular engagement in physical exercise can boost workers productivity as well as prolong their lives when they eventually retire, the Managing Director of Trustfund Pensions, Mrs. Helen Da-Souza has said.

Speaking at the first Keep Fit Walk tagged "Walk For Life" organized for Trustfund customers in Abuja, Mrs. Da-Souza said the event was organized to help customers remain healthy.

Her words: "It is good to have fitness exercises because after working for about 35

years and retired, it is good to do these exercises in order to remain fit. According to her this fitness programme is to basically encourage regular exercise as a lifestyle.

Da-Souza also hinted that the event which will be organized quarterly will be replicated in all Trustfund branches across the country to ensure that no customer is left out.

Adding, Instructors were invited to conduct the sessions and educate customers

on the health benefits of living a life style of regular exercise.

On his part, the Executive Director in charge of Corporate Services, Nasir Musa, described Trustfund as a customer-centric organization that prioritizes how to enhance the living standard of its customers both active and retired.

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# REVIEW OF THE OLD AND NEW PENSION ACT

S/N		OLD LAW	NEW LAW
1	OBJECTIVES OF THE SCHEME	SEC1 (2) - The Scheme only applied to all employees in Public Service of federation, FCT and Private Sector.	SEC 1(a) -The Scheme now applies to Public Service of the Federation, Public Service of FCT, Public Service of the State Government, Public Service of Local Government and Private Sector.
2	APPLICATION OF THE SCHEME	SEC 1 (2) (b)- The scheme applied to Companies with 5 or more employees in private sector.	SEC 2(2) - It shall apply to 15 or more employees of Private Sector. SEC 2 (3) The Act expanded the coverage of the Scheme in the private sector to Organizations with less than <b>three (3)</b> employees.
3	CONTRIBUTION	SEC 9 (1) (a) (i)-A Minimum of <b>seven and half percent</b> contribution by employer and employee SEC 9 (2)- Employer can bear full burden of scheme and contribute not less than 15%	SEC 4(1) (a) -A Minimum of <b>10%</b> by employer and <b>8%</b> by employee SEC 4 (4) (b)-a minimum of <b>20%</b> where contributions is to be borne by the employer
4	SUPERVISION OF RETIREMENT BENEFITS OF EMPLOYEES EXEMPTED FROM THE SCHEME		SEC 6 (2) - The commission shall issue guidelines to regulate the administration of retirement benefits of professors.
5	RETIREMENT BENEFIT	SEC 4 (2)- the waiting period to access benefits in the event of loss of job by employees is <b>six (6) months</b>	SEC 7 (2)- the waiting period for accessing benefits in the event of loss of job by employees has been reduced to <b>four (4)months</b> .
6	RETIREMENT SAVINGS ACCOUNT AND REMITTANCE OF CONTRIBUTION		SEC 11(5)- Opening of Temporary RSA by the employer for Employees who Fail to do so after 6 months of assumption of duty.
7	TENURE OF OFFICE	SEC 17 (1)- The Chairman , Director- General and commissioners shall hold office for term of <b>4years</b> and may re appoint a further term of <b>4 years</b> .	SEC 20(1)- The chairman and the Director General shall hold office for a term of <b>5 years</b> and may be reappointed for another term of <b>5 years</b> and no more.
8	FUNCTIONS OF PENCOM		SEC 23 (h)- The commission mitigates complaints of impropriety against PFA and PFC SEC 23(i)- The Commission Promote and offer assistance in application of the scheme in States and Local Government.
9	POWERS OF THE COMMISSION		SEC 24 (i)- move pension funds and assets from one PFA or PFA to another when Commission believes it is endangered. SEC 24 (j) - appoint management committee in resolution of failing operators.
10	APPOINTMENT OF DIRECTOR - GENERAL	SEC 16 (1) (b)(ii)-The DG shall possess professional skill with not less than <b>20years</b> experience.	SEC 26 (2) (d)- The DG shall possess <b>15 years</b> cognate experience.
11	PROPER BOOK OF ACCOUNT AND AUDIT OF PFA AND PFC	SEC 56 (2)- Accounts must be audited not later than <b>4 months</b> from the end of the year.	SEC 66 (2)- Accounts must be audited <b>3months</b> from the end of the year.
12	AGREEMENT OR ARRANGEMENTS REQUIRING CONSENTS OF THE COMMISSION		SEC 71- <b>except with the prior consent of the Commission in writing</b> , No PFA or PFC shall enter into any agreement of sale or transfer of shareholding of PFA or PFC ; or for amalgamation or merger or restructuring; or Employ Management agent.

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Beyond taking the customers through a health walk, Musa said the event also serves as an avenue to create a bond between Trustfund and its customers.

According to him, healthy living contributes to increased productivity. The healthier a person is, the more he is able to carry out his duties at his work place. Beyond the wellness of the physical body, a person who exercises also stands a better chance of having a sound mind and less exposed to illness. All of these contribute to an increased productivity that enhances the buoyancy of the economy.

A retired permanent secretary in the federal ministry of labour and productivity, Dr. Timiebi Koripamo-Agary, who took part in the walk said: "I think physical exercises are a better treatment for pains. I have had a few joint aches since I retired and I find out that when I take my medications I don't need to take painkillers because regular exercises take care of the pains. Regular exercises ease the body and relax the muscles. With regular walk, the joints enjoy regular movement that makes pains disappear."

She stressed the need for retirees to discipline themselves by engaging in regular exercises, saying, "regular walk for a few kilometers regularly is very good. Walking does not require buying any equipment to do so everybody can afford simply walking down the street."

A former President of the Trade Union Congress (TUC) Peace Obiajulu lauded Trustfund for the innovation.

She said: "The fitness exercise is a good thing because it gives some of us that unique opportunity to take time out of busy schedule to embark on a walk. Retirees tend to die earlier than their time because of lack of activities. But engaging in physical exercises will help retiree live a healthier life."



A cross section of customers and staff during the fitness walk "Walk For Life" recently in Abuja



A cross section of customers and staff during the fitness walk "Walk For Life" recently in Abuja



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## Review Of The Old And New Pension Act

S/N		OLD LAW	NEW LA
13	OPERATION OF BRANCH OFFICES BY A PFA AND PFC		SEC 72- Subject to approval of commission PFA or PFC may open or close any branch office
14	NOTICE OF DISMISSED STAFF		SEC 74 (4) - No indicted person in any form of pension fraud or crime will be allowed to serve in any pension or <b>finance industry</b> .
15	PENALTY FOR COMPLIANCE	SEC 64 (2)- The commission shall revoke the license of PFA or PFC who does not report fraudulent activities or employ any fraudulent person.	SEC 76 (2)-The commission shall remove top management staff of any PFA or PFC who had knowledge of offences and did not report to the commission.
16	PROHIBITED TRANSACTIONS		SEC 77 (4)- An Administrator or custodian shall not divert or convert pension funds and assets as well as income arising from investment.
17	APPOINTMENT OF CEO OF ADMINISTRATORS AND CUSTODIANS		SEC 79 (2) (3) - The CEO and Directors of PFA or PFC shall execute code of conduct forms as provided by the Commission; The Commission may suspend or direct the resignation and/or sack of any CEO or management staff found to grossly disregard provisions of the Act.
18	RESTRICTION ON SALE OF PENSION FUND ASSET	SEC 76 (1) (c) - Pension fund assets under management shall not be used as loan or as collateral.	SEC 89 (2) (c) - Pension fund asset in Retirement Savings Account subject to guidelines of the commission can be used towards payment of <b>equity contribution</b> for <b>residential mortgage</b> by a holder of the Account.
19	SPECIAL POWERS OF THE COMMISSION TO INTERVENE IN THE MANAGEMENT OF PFA & PFC		SEC 98- When a PFA or PFC fails to comply with any provisions of the Act or is unable to meet guidelines issued by the commission ;the commission may order the transfer of its pensions funds to another PFA or PFC; Suspend board or management, or remove the chief executive officer, any director, manager or officer.
20	OFFENCES PENALTIES AND ENFORCEMENT POWERS	SEC 85- Any person who contravenes provisions of the Act where no other penalty is prescribed is liable on conviction to a fine not more than N250,000 or imprisonment for a term not exceeding 1 year or both.	SEC99(2)- <b>Additional provision</b> - Any person who <b>attempts</b> to contravene provisions of the Act or to commit specified offence is liable on conviction to same punishment for full offence as in <b>SEC 91(1) same as SEC 85 in old Act</b> SEC 99 (4)-Any PFA OR PFC that reimburses or pays for its officer or director a fine imposed under the Act is liable on conviction to a fine of N5, 000,000.

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## Review Of The Old And New Pension Act

S/N		OLD LAW	NEW LAW
21	MISAPPROPRIATION OF PENSION FUNDS	SEC 86- Any PFA or PFC who misappropriates funds commits offence and liable on conviction to a fine of amount equal to three times the amount misappropriated or not less than 10 years in imprisonment or both.	SEC 100 – ADDITIONAL PROVISION - PFA or PFC who misappropriates or <b>diverts</b> funds shall refund amount diverted and the court shall order forfeiture of any asset or fund.
22	PENALTY FOR REFUSING TO GIVE INFORMATION/GIVING WRONG INFORMATION.	SEC 90- Fine <b>not more</b> than N200,000.00	SEC 104- Fine <b>not less</b> than N200,000.00
23	JURISDICTION	SEC 91- An offence under the Act shall be tried in Federal High Court	SEC 105- Offence under the Act shall be tried in a court of competent jurisdiction.
24	ARBITRATION.	S 93- Where anyone is dissatisfied with the decision of the commission, issues will be referred to arbitration or Investment and securities Tribunal. S 94- Arbitration awards is enforceable in Federal High Court	S.107- All dissatisfied parties refer matters to Arbitration or the National Industrial Court.(NIC) SEC 107 (3)-Any arbitral award is enforceable by court of competent jurisdiction.
25	LIMITATION OF LEGAL ACTIONS	SEC 95-The commission is to be given 30 days pre-action notice	SEC 109- The commission is to be given 1 month pre-action notice where one intends to institute an action against it.
26	EXEMPTION OF PENSION FUNDS FROM LIQUIDATION PROCESS OR GARNISHEE PROCEEDINGS	SEC 98- Pension funds kept with custodian is not to be used to meet claims during liquidation.	SEC 109- Now exempts annuity funds in custody of insurance company from being used to meet claims in case of liquidation.
27	POWER TO MAKE REGULATIONS.		SEC 115- Contravention of any regulation issued pursuant to any provisions of the Act is an offence and punishable.



**@ Trustfund**

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