



NATIONAL PENSION COMMISSION

# REGULATIONS FOR THE TRANSFER OF RETIREMENT SAVINGS ACCOUNTS

---

*Committee on the Regulation for the Transfer of Retirement Savings Accounts*

*June, 2012*

*The requirements of these Regulations are consistent with the provisions of the Pension Reform Act, 2004 and are also considered enforceable within the pensions industry.*

# CONTENTS

## **SECTION 1: INTRODUCTION**

- 1.1 Background
- 1.2 Objectives of the Regulations
- 1.3 Form and Content

## **SECTION 2: THE REGULATIONS**

- 2.1 Definitions
- 2.2 Rules of General Application
- 2.3 The RSA Transfer Clearing System
- 2.4 The Transfer Process

## **SECTION 3: ACCOUNTING ENTRIES**

- 3.1 Accounting Entries By PFA
- 3.2 Accounting Entries By PFC

## **SECTION 4: POST TRANSFER EVENTS**

- 4.1 The Transferring PFA and its PFC
- 4.2 The Receiving PFA and its PFC
- 4.3 Treatment of Incorrect NTP Remittance(s)
- 4.4 Non-receipt of Transaction History as at ETD
- 4.5 Treatment of Re-submitted RSA Transaction History

## **SECTION 5: SANCTIONS AND PENALTIES RELATING TO VIOLATIONS ON THE REGULATIONS OF RSA TRANSFER**

## **SECTION 6: REVIEW AND ENQUIRIES**

6.1 Review

6.2 Enquiries

## SECTION 1: INTRODUCTION

### 1.1 Background

1.1.1 Section 11 (2) of the Pension Reform Act (PRA) 2004, specifies that the employee may, not more than once in a year, transfer the Retirement Savings Account (RSA) from one Pension Fund Administrator (PFA) to another without adducing any reason for such transfer.

1.1.2 Notwithstanding section 11 (2) of the PRA 2004, the provisions of this Regulation applies to a single transfer of RSAs within a calendar year. Subsequent review of the Regulation would address multiple transfers of RSAs within a calendar year.

1.1.3 Section 11 (3) (d) further provides that the employee shall notify his employer of the PFA chosen.

1.1.4 The Commission, therefore, sets out the modalities and broad guidelines under which such transfers would be effected.

### 1.2 Objectives of the Regulations

1.2.1 The Regulations for Transfer of RSAs have, therefore, been set out to allow for seamless transfer of RSAs from one PFA to another.

1.2.2 While the Regulations outline the procedures that shall be followed to ensure RSA transfers between PFAs, they also seek to ensure effective implementation of Section 11 (1) of the PRA, 2004 by facilitating full and equitable pension assets portability within the pension industry.

1.2.3 These Regulations also seek to enhance ethical competition amongst the PFAs and improve service delivery to RSA holders.

### **1.3 Form and Content**

- 1.3.1 Section one of the Regulations outlines the legal framework on which the regulations have been premised and the objectives for issuing the regulations, as well as the contents. Section two provides definition of terms and sets out details of the Regulations. Section three provides accounting entries for both PFAs and PFCs. Section four sets out details of the post transfer process. Section five spells out the sanctions and penalties relating to violations of the Regulation, while Section six specifies the review process and channels for inquiries.
- 1.3.2 The requirements of these Regulations are consistent with the provisions of the PRA, 2004 and are also considered enforceable within the pension industry.

## SECTION 2: THE REGULATIONS

### 2.1 Definitions

- 2.1.1 For the purpose of these Regulations, the term **RSA Transfer** shall refer to the transfer of RSA from one PFA to another upon the request of the RSA holder within a calendar year and on the approval of the RSA Transfer Clearing System (RTCS).
- 2.1.2 The term **Transferring PFA** shall refer to the PFA **from which** an RSA is being transferred.
- 2.1.3 The term **Receiving PFA** shall refer to the PFA **to which** an RSA is being transferred.
- 2.1.4 The term **RSA Holder** shall refer to registered contributors and retirees.
- 2.1.5 The term **Retiree** shall refer to an RSA holder who ceases to make further contribution into his/her RSA as a result of permanent disengagement from service and has executed a Programmed Withdrawal Agreement with his/her PFA.
- 2.1.6 The term **Legitimate RSA Holder** shall refer to an RSA holder whose identity has been confirmed by the receiving PFA as being the bona fide owner of an RSA being transferred.
- 2.1.7 The term **Voluntary Contributions** shall be deemed to be non-obligatory contributions, made by an individual with the sole aim of providing retirement benefits for a future date.
- 2.1.8 The term **RSA Transfer Form** shall refer to a document approved by the Commission and completed by an RSA Holder through a Receiving PFA requesting for transfer of a retirement savings account from a Transferring PFA to a Receiving PFA.

- 2.1.9 The term “**RSA Transfer Clearing System**” (RTCS) shall refer to a central system to be domiciled at the National Pension Commission that would be responsible for coordinating the processes relating to the transfer of RSAs.
- 2.1.10 The term %**Transfer Notification**+shall refer to the receipt, by the RTCS of a duly completed RSA transfer form from the Receiving PFA, in respect of an RSA holder intending to transfer his/her RSA from a transferring PFA to a Receiving PFA.
- 2.1.11 The %**Date of Receipt**+of a transfer notification shall be deemed to be the day on which the RTCS receives the duly completed RSA transfer form.
- 2.1.12 The term “**Calendar Year**” shall refer to a consecutive period of twelve months.
- 2.1.13 The term %**Calendar Quarter**+shall refer to a three-month period regarded as one of four parts of a calendar year. The 1<sup>st</sup> Quarter of every calendar year shall be deemed to be the period between 1<sup>st</sup> Jan. to 31<sup>st</sup> Mar., while the 2<sup>nd</sup> , 3<sup>rd</sup> and 4<sup>th</sup> Quarter shall be 1<sup>st</sup> Apr. to 30<sup>th</sup> Jun., 1<sup>st</sup> Jul. to 30<sup>th</sup> Sept., and 1<sup>st</sup> Oct. to 31<sup>st</sup> Dec. respectively. Therefore, where a transfer has been approved for an RSA within any quarter of a calendar year, such RSA shall not be eligible for another transfer until twelve consecutive months from the date of the last approved transfer.
- 2.1.14 Notwithstanding the provisions of 2.1.13 above, where a transfer notification is received within the last month of a calendar quarter, the ETD shall be the last day of the last month of the following calendar quarter.
- 2.1.15 The term %**Effective Transfer Date**+(ETD) shall refer to the last day of the last month of a calendar quarter namely 31<sup>st</sup> March, 30<sup>th</sup> June, 30<sup>th</sup> September and 31<sup>st</sup> December respectively.

- 2.1.16 The term **Transfer Value Payment** shall refer to the balance standing in the RSA as at the ETD. This shall include accumulated contributions and accrued rights paid into the RSA, plus all investment income earned and accruable within the transfer quarter.
- 2.1.17 The term **Net Transfer Position** shall be the summation of all transfers to and from a particular PFA within a specified transfer period, netted-off to arrive at either a credit or debit position.
- 2.1.18 The term **Net Credit Transfer Position** shall refer to an amount by which the total transfer value of RSAs coming to a PFA exceeds the total transfer value of RSAs leaving that particular PFA, within a calendar quarter. Where this occurs, the affected PFA shall expect funds inflow from other PFAs.
- 2.1.19 On the other hand, the term **Net Debit Transfer Position** shall refer to an amount by which the total transfer value of RSAs coming to a PFA is less than the total transfer value of RSAs leaving that particular PFA, within a calendar quarter. Where this occurs, the affected PFA shall be expected to remit funds to other PFAs.
- 2.1.20 The term **“Transfer Suspense Account”** (TSA) shall refer to a general ledger account maintained by PFAs and PFCs, for the purpose of warehousing RSA balances to be transferred, upon receipt from RTCS of approved RSA transfer. In addition, contributions received after ETD either relating to period before or after ETD shall be warehoused in the TSA.
- 2.1.21 The term **“Contributor Registration System”** (CRS) shall refer to an application system responsible for warehousing all database on pension matters.

## 2.2 Rules of General Application

2.2.1 As specified by Section 11 (2) of the PRA 2004, the RSA holder may transfer his RSA from one PFA to another, not more than once in a calendar year, without adducing any reason for such transfer.

2.2.2 Notwithstanding section 11 (2) of the PRA 2004, the provisions of this Regulation applies to a single transfer of RSAs within a calendar year. Subsequent review of the Regulation would address multiple transfers of RSAs within a calendar year.

2.2.3 Further to 2.2.1 above, notwithstanding the provision of the Programmed Withdrawal Agreement, a retiree shall have the right to transfer his/her RSA from one PFA to another once in a year, without adducing any reason for such transfer.

2.2.4 Pursuant to 2.2.3 above, only retirees on Programmed Withdrawal Agreement (PWA) are eligible for transfers.

2.2.5 Where information is required from a PFA, such PFA shall make the information available to the RTCS as at when due failing which the RTCS shall apply sanctions on the erring PFA.

2.2.6 Failure by PFAs/PFCs to provide customer service support to RSA holders shall attract a fine of ₦100,000 per RSA and ₦10,000 for every month of violation. In the same vein, a monthly sanction of ₦100,000 per RSA shall be imposed on any PFA that violates the following transfer processes:

S/NO	ITEM	TIME LINE	SANCTION	PARTIES LIABLE
1	Failure by the receiving PFA to notify an RSA holder of the rejection of a transfer request and reasons for the rejection	Within two (2) working days from the date of receipt of a rejection notice from the RSA Transfer Clearing System	₦100,000 per RSA and ₦10,000 for every month of violation	Receiving PFA
2	Failure by the receiving PFA to notify an RSA	Within two (2) working days from the	₦100,000 per RSA and ₦10,000 for	Receiving PFA

	holder of a transfer approval and copy the employer	date of receipt of an approval notice from the RSA Transfer Clearing System	every month of violation	
3	Failure by transferring PFA to issue final RSA statement to an RSA holder for the last quarter ending at the ETD	Not later than five (5) working days after ETD	₦100,000 per RSA and ₦10,000 for every month of violation	Transferring PFA
4	Failure by receiving PFA to notify RSA holder of transfer value received from transferring PFA	Within two (2) working days upon completion of transfer process	₦100,000 per RSA and ₦10,000 for every month of violation	Receiving PFA
5	Failure by receiving PFA to obtain directly from RSA holders relevant documents required for proper maintenance of a Retirement Savings Account	Before concluding the transfer process	₦100,000 per RSA and ₦10,000 for every month of violation	Receiving PFA
6	Failure by the transferring PFA to update the CRS with a new thumbprint image of RSA holder when informed of a declined transfer request due to invalid thumb print image	Within two (2) working days after receiving a notice of decline of a transfer request from the RTCS.	₦100,000 per RSA and ₦10,000 for every month of violation	Transferring PFA

2.2.7 Further to 2.2.5 above, failure by a PFA to provide complete and accurate information shall attract an initial fine of ₦200,000 per Retirement Savings Account and ₦100,000 each day where the offence continues, in line with the Commission's Sanctions Regime. This sanction shall be imposed on any PFA that violates the following transfer processes:

S/NO	ITEM	TIME LINE	SANCTION	PARTIES LIABLE
1	Failure by transferring PFA to move RSA balance to TSA and advise the RTCS	On ETD	₦200,000 per RSA and ₦100,000 each day where the offence continues	Transferring PFA
2	Failure by transferring PFA to send accurate detailed transaction history to RSA Transfer Clearing System	Within the first two (2) working days after ETD	₦200,000 per RSA and ₦100,000 each day where the offence continues	Transferring PFA

3	Failure by receiving PFA to collate, scan and send electronically to the RTCS all the documents specified in section 2.4.2.	Not later than five (5) working days from the date of receipt of approval notice.	₦200,000 per RSA and ₦100,000 each day where the offence continues	Receiving PFA
4	Failure by both transferring PFA and receiving PFA to confirm accuracy of NTP advised by RSA Transfer Clearing System	Not later than two (2) working days after receipt of NTP report from RSA Transfer Clearing System	₦200,000 per RSA and ₦100,000 each day where the offence continues	Transferring PFA and Receiving PFA
5	Failure by transferring PFA to remit exact debit amounts to the beneficiary PFAs through their PFCs and advise RSA Transfer Clearing System	One (1) working day after receipt of final NTP report from RSA Transfer Clearing System	₦200,000 per RSA and ₦100,000 each day where the offence continues	Transferring PFA
6	Failure by transferring PFC to advise RSA Transfer Clearing System and transferring PFA of transfers effected	One (1) working day after remitting exact debit amount	₦200,000 per RSA and ₦100,000 each day where the offence continues	Transferring PFC
7	Failure by receiving PFC to confirm receipt of funds to RSA Transfer Clearing System	One (1) working day after receipt of funds	₦200,000 per RSA and ₦100,000 each day where the offence continues	Receiving PFC
8	Failure by receiving PFA to acknowledge receipt of transfer value and notify the RSA Transfer Clearing System	One (1) working day after receipt of funds	₦200,000 per RSA and ₦100,000 each day where the offence continues	Receiving PFA
9	Failure by receiving PFA to sight, cross check and authenticate all originals and photocopies of documents required for the submission of an RSA transfer form	Before submitting a transfer request form to the RSA Transfer Clearing System	₦200,000 per RSA and ₦100,000 each day where the offence continues	Receiving PFA

2.2.8 RSA transfers shall only be effected on a calendar quarter basis; namely 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> Quarters as specified in 2.1.12 above. However, an RSA holder seeking subsequent transfer of his/her RSA shall be eligible for such transfer after twelve consecutive months from the date of the last approved transfer.

- 2.2.9 Every PFA shall be required to produce RSA transfer forms in the format specified by the Commission and the transfer form shall be free. This format contains the minimum requirements to be adopted by the PFAs. Therefore, the PFAs may add others as they deem necessary.
- 2.2.10 The transfer process can only be initiated by a legitimate RSA holder who has obtained an RSA transfer form.
- 2.2.11 Pursuant to 2.2.10 above, the receiving PFA shall obtain evidence of ownership and identity as specified in 2.4.2 from a legitimate RSA holder.
- 2.2.12 A Receiving PFA shall be deemed negligent if all originals and photocopies of documents required for the submission of an RSA transfer form are not sighted, cross checked and authenticated.
- 2.2.13 All RSA transfers from the transferring PFA shall be in naira value and shall be calculated based on the unit price of the transferring PFA's RSA fund as at the ETD.
- 2.2.14 RSA transfers in this regulation shall attract no transfer fee.
- 2.2.15 Any contribution received by the transferring PFA after the ETD shall not attract any administrative or management fees.
- 2.2.16 Such fund(s) as in 2.2.14 above, received by a receiving PFA shall be valued at its prevailing unit price on the date of receipt.
- 2.2.17 Pursuant to 2.2.16 above, outstanding payment(s) received after the ETD by the receiving PFA shall be valued at its prevailing unit price as at the date of receiving such payment.
- 2.2.18 All PFAs shall instruct their PFCs to open an account called Transfer Suspense Account (TSA) for the purpose of warehousing the RSA transfer balances and outstanding payments received in respect of an already transferred RSA.

- 2.2.19 Pursuant to 2.2.18 above, a PFC shall open such account, based on the instructions of their PFA, for warehousing RSA transfer balances and pension contribution obtained after the ETD per RSA.
- 2.2.20 Outstanding payments received in respect of already transferred RSAs shall not be held in the TSA for more than three (3) working days before being transferred to the receiving PFC.
- 2.2.21 Every PFA shall execute a document delegating to the RTCS, the authority to instruct its PFC to remit the exact debit amounts as advised by the RTCS in the final NTP report to the beneficiary PFAs through their PFCs. This shall act as a waiver to the provision of section 1.1 of the Regulation on investment of Pension Fund Assets, which stipulates that PFCs can only take instructions from the Pension Fund Administrators on the investment and management of Pension Fund Assets held in their custody, on behalf of their contributors.
- 2.2.22 Notwithstanding the execution of such document as stated in 2.2.21, the PFA is not abdicated of its responsibility to ensure that such transfers are effected by the PFCs as required.
- 2.2.23 Every PFA / PFC shall appoint officials that will be authorized to access the RSA Transfer Clearing System (RTCS).
- 2.2.24 Pursuant to 2.2.23 above, the RTCS shall assign user names to respective PFAs / PFCs.
- 2.2.25 Further to 2.2.24 above every PFA / PFC shall ensure that suitable password is assigned to the user name.
- 2.2.26 Further to the responsibility specified in 2.2.25 above, every official of a PFA / PFC who has been assigned a password shall be primarily responsible for maintaining the confidentiality of the password assigned to the user name in 2.2.25.

- 2.2.27 Every PFA / PFC shall deploy IT infrastructure for the transfer process. Such IT infrastructure must have adequate storage and retrieval capability for a period of Ten (10) years.
- 2.2.28 Every PFA / PFC shall be required to achieve and maintain an IT infrastructural level as prescribed by the Commission in section 3.0 of the Guidelines for the Operations of Pension Fund Administrators.
- 2.2.29 In addition to the IT requirements specified in 2.2.28 above, operators must have the following:
- i) Automated fingerprint capturing equipment for capturing fingerprints (PFAs).
  - ii) Automated Document Management System for the transfer of RSA holders' documents between the PFAs and the RSA Transfer Clearing System (PFAs & PFCs).
- 2.2.30 Every PFA / PFC official shall abide by the Code of Ethics and Business Practices issued by the Commission and respect the confidentiality of sensitive information relating to the transfer process.
- 2.2.31 The Commission shall not be liable to any claim or action by any person for anything done pursuant to the RTCS including:
- i) Where the RTCS approves a transfer request which was not initiated by a bona fide RSA holder; and
  - ii) Where the RTCS approves the transfer value of an RSA or Net Transfer Position which were based on wrong RSA balance submitted by a PFA.
- 2.2.32
- i) The receiving PFA shall be liable where the RTCS approves a transfer which was not initiated by a bona fide RSA holder.
  - ii) The transferring PFA shall be liable where the RTCS approves the transfer value of an RSA or Net Transfer Position which were based on wrong RSA balance submitted by a PFA.
- 2.2.33 An RSA transfer shall be irrevocable once approved by the RSA Transfer

Clearing System (RTCS).

2.2.34 Notwithstanding the provisions of 2.2.33 above, an RSA transfer instruction may be revoked or reversed by a directive of the Commission where fraud or illegality is established, Provided that:

- i) In revoking or setting aside such transfer instruction, the Commission may make a directive ordering a refund or return of the fund involved by the appropriate party; and
- ii) The transfer instruction is not considered as a systemically important transfer instruction as may be determined by the Commission.

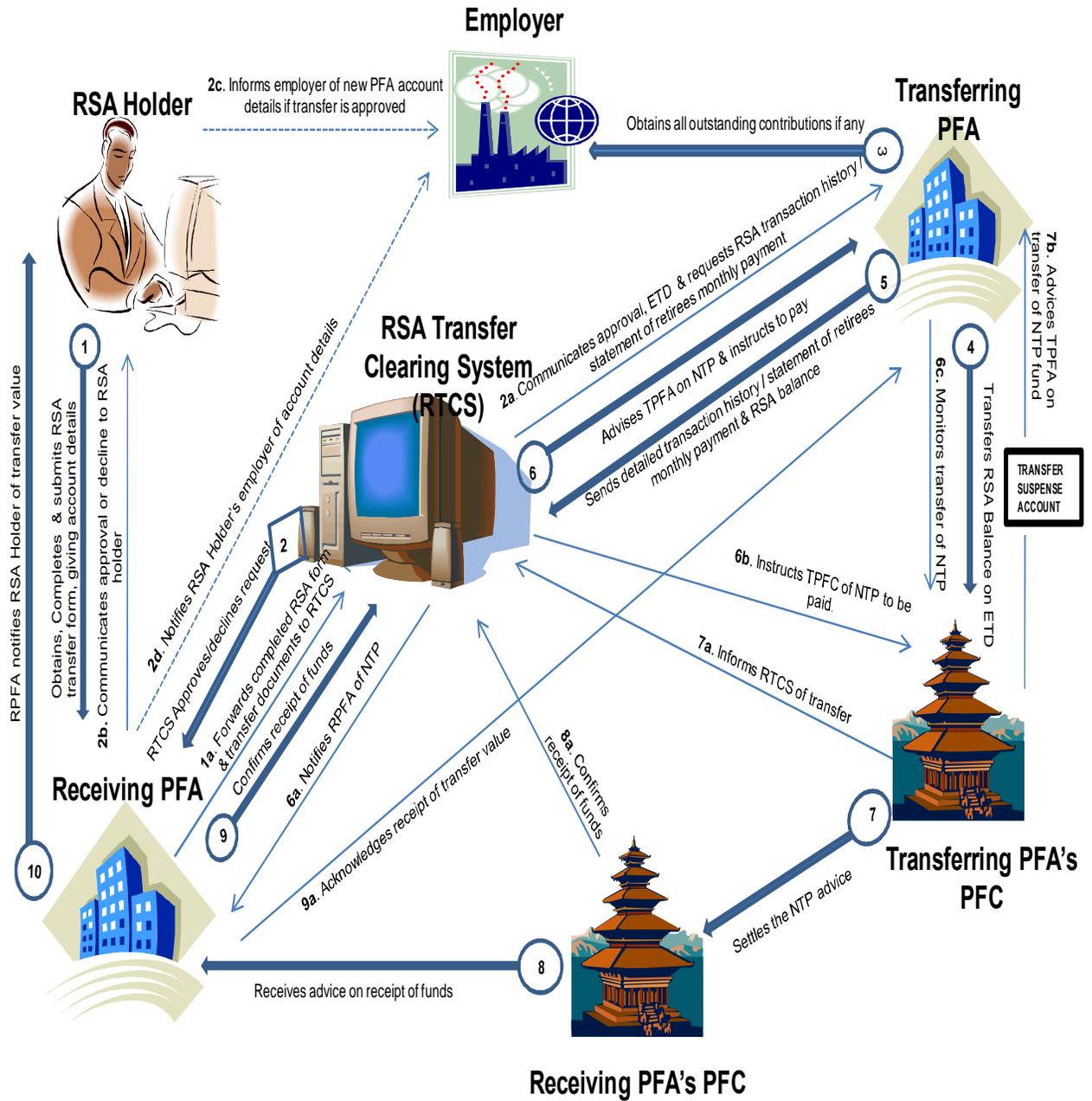
### **2.3 The RSA Transfer Clearing System**

2.3.1 There shall be a Central Clearing System to be called "the RSA Transfer Clearing System" (RTCS).

2.3.2 The RTCS shall serve as a platform where RSA transfers are processed, settled, reconciled and monitored.

2.3.3 The operations of the RTCS shall be based on electronically driven infrastructure.

2.3.4 The RTCS shall maintain an IT platform that facilitates seamless coordination of transfer processes through a link that shall be accessed by only authorized officials of the PFAs/PFCs.



**Fig 1: The Transfer Process (PFA to PFA)**

## 2.4 The Transfer Process

2.4.1 The RSA holder (Contributor or Retiree) intending to transfer his/her RSA to another PFA shall obtain from, complete and submit the numbered RSA transfer form to the receiving PFA.

2.4.2 Pursuant to 2.4.1 above, the RSA holder shall submit the RSA transfer form with the following documents:

1) Formal Sector Employees

- i) One recent passport sized photograph taken against a white background.
- ii) Copy of original letter of PIN notification or RSA statement of account from the Transferring PFA.
- iii) Copy of Official ID (Staff ID with any one of the following; National ID or National Drivers license or International Passport).
- iv) Letter of first appointment / Attestation Letter (Public sector employees) and Letter of employment / appointment (Private sector employees.)
- v) Letter of introduction from current employer.
- vi) Birth certificate / declaration of age.

2) Informal Sector Employees

- i) One recent passport sized photograph taken against a white background.
- ii) Copy of original letter of PIN notification or RSA statement of account from the Transferring PFA.
- iii) Copy of Identification (Association ID or National ID or National Drivers license or International Passport).
- iv) Letter of employment / Reference letter / evidence of membership with a registered association or trade union.
- v) Birth certificate / declaration of age.

### 3) Retirees (Public and Private)

- i) One recent passport sized photograph taken against a white background
- ii) Copy of birth certificate/declaration of age
- iii) Copy of letter of retirement
- iv) Copy of Programmed Withdrawal Agreement with TPFA.

2.4.3 Upon receipt of the duly completed RSA transfer form, the Receiving PFA shall confirm that all documents submitted in 2.4.2 above are authenticated and originals duly sighted, and shall do the following:

- i) Confirm that the passport picture appended on the transfer form meets the requirement stated in 2.4.2 and is a true image of the RSA holder.
- ii) Ensure that proper identification is submitted. Staff ID must be submitted along with other forms of identification listed in 2.4.2 (1 (iii)) above for formal sector employees, any form of identification as specified in 2.4.2 (2 (iii)) for informal sector employees and the form of identification specified in 2.4.2 (3) for retirees.
- iii) Ensure that there are no irregularities in the documents / information provided by the RSA holder.

2.4.4 Pursuant to 2.4.3 above, the Receiving PFA shall forward the RSA transfer form and transfer documents submitted in 2.4.2 above electronically to the RTCS.

2.4.5 Upon receipt of the transfer notification, the RTCS shall, after going through its internal validation processes, accede to or decline the transfer notification.

2.4.6 Where the decision in 2.4.5 is a decline of the transfer request, such a decision shall be communicated electronically to both the receiving and transferring PFAs within two (2) working days from the date of receipt of

the transfer notification, indicating reasons for the rejection. These reasons may include:

- i) Invalid Thumb Print (Thumb print on RSA transfer form was not found on the CRS.)
- ii) Invalid Personal Identification Number (PIN) (PIN on RSA transfer form is different from PIN on the CRS.)
- iii) Incorrect transferring PFA (Transferring PFA stated on the RSA transfer form is different from TPFA on the CRS.)
- iv) Incorrect employer name (Employer name stated on the RSA transfer form is different from employer name on the CRS.)
- v) Incorrect name (Name stated on the RSA transfer form does not exist on the CRS.)
- vi) Incorrect date of birth (Date of birth stated on the RSA transfer form is different from DOB on the CRS.)

2.4.7 The Receiving PFA, upon receipt of the rejection notice from the RTCS shall, within two (2) working days, notify the RSA holder (Contributor and Retiree) and copy RTCS of the reasons for the rejection of the RSA transfer request. Failure to provide notification to the RSA holder and the RTCS reasons for rejection shall attract sanctions in line with section 2.2.6.

2.4.8 Where on the other hand, the decision in 2.4.5 above is affirmative, the decision shall be communicated electronically to both the Transferring PFA and the Receiving PFA within two (2) working days from the date of receipt of the transfer request.

2.4.9 Pursuant to 2.4.8 above, the electronic message from the RTCS shall, amongst others, indicate the ETD and request for detailed RSA transactions history (Contributors) or detailed statement of payment to

retiree from effective date of Programmed Withdrawal Agreement from the transferring PFA.

2.4.10 A transferring PFA shall make all monthly payments to the retiree up till ETD. After ETD, the receiving PFA shall continue to make payments of the retiree's monthly benefits.

2.4.11 Following the receipt of the electronic message in 2.4.8 above, the Transferring PFA shall take the following steps:

- i) On the ETD, the transferring PFA shall move the balance in the RSA to the TSA and determine period of outstanding contributions if any. Failure to move RSA balance to the TSA shall attract sanctions in line with section 2.2.7.
- ii) Within the first two (2) working days after ETD, electronically transmit to the Commission, detailed transactions contained in the RSA(s) to be transferred including the balance thereon, from its inception up to ETD or detailed statements of monthly payments to a retiree and the balance thereon from the effective date of Programmed Withdrawal Agreement, in a format to be prescribed by the Commission from time to time. Failure to transmit timely, detailed RSA transaction history and accurate information to the RTCS shall attract sanctions in line with section 2.2.7.
- iii) Issue an RSA statement to the RSA holder for the last quarter ending at the ETD not later than five (5) working days after the ETD. Failure to issue RSA statement to the RSA holder shall attract sanctions in line with section 2.2.6.
- iv) Upon approval of the transfer of a retiree's RSA, the Programmed Withdrawal Agreement between the retiree and the transferring PFA ceases to exist.
- v) Where a transferring PFA is informed of a declined transfer request due to invalid thumb print image, the TPFA must ensure that the CRS is updated with a new thumb print image within 2 working days of being informed of

the decline. Failure to update the CRS with a new thumbprint shall attract sanctions in line with section 2.2.6.

2.4.12 Further to 2.4.8 and 2.4.11 above, the Receiving PFA shall take the following steps:

- i) Notify the incoming RSA holder (Contributor or Retiree) of the approval and ETD within two (2) working days and copy the employer in case of a contributor. Failure to notify RSA holder of the approval/decline shall attract sanctions in line with section 2.2.6.
- ii) In the notification of 2.4.12 (i) above, the Receiving PFA shall indicate its account details into which contributions must be remitted and the month from which such contributions must begin;
- iii) Collate and scan all the documents received from the RSA holder (Contributor and retiree) as stated in section 2.4.2 above.
- iv) Send electronically to the RTCS all the documents collated in section 2.4.2 above, along with the RSA Transfer Form. Failure to send all collated documents shall attract sanctions in line with section 2.2.7.
- v) Further to (iv) above, PFAs will be required to send only documents that have been signed by the authorized officials whose signatures were appended on the RSA transfer form.
- vi) The receiving PFA shall take responsibility for sending all the documents listed on the RSA Transfer form to the Commission.
- vii) Update its database and keep all documents received from RSA holders as stated in 2.4.2 for a minimum period of Ten (10) years
- viii) Upon notification of the receipt of funds by its PFC the receiving PFA shall execute a new Programmed Withdrawal Agreement with the retiree based on the current balance in his/her retirement account.

2.4.13 On the 3<sup>rd</sup> working day after the ETD, the RTCS shall collate all approved transfer requests on a PFA by PFA basis and generate the ~~Net~~ **Net Transfer**

**Positions+ (NTP) Report.** This report will be sent to all affected PFAs indicating the debit/credit net transfer position of each PFA.

2.4.14 The NTP Report in 2.4.13 above shall contain the following minimum information:

- i) The relevant transfer period.
- ii) A column showing the names of all affected PFAs.
- iii) A column showing total transfer values to specific PFAs.
- iv) A column showing total transfer values from specific PFAs.
- v) A column showing the net transfer values for each of the affected PFAs.

2.4.15 Upon receipt of the NTP report, each affected PFA shall confirm the accuracy of the NTP advised by the RTCS and within two (2) working days notify the RTCS of any error observed. Failure to confirm accuracy or otherwise of NTP advised by the RTCS shall attract sanctions in line with 2.2.7.

2.4.16 Where the RTCS receives error notification from PFAs, it shall within one (1) working day issue a notice to all affected PFAs indicating that RTCS received error notification(s) and shall within two (2) working days of such receipt, collate all such error notifications, effect necessary corrections and forward a final NTP report to each PFA and their PFCs.

2.4.17 Where the RTCS does not receive an error notification from the PFAs at the end of the second working day after sending out the NTP report, it shall within one (1) working day, issue a final NTP report to each of the PFAs and their PFCs.

2.4.18 Upon receipt of the final NTP report, the PFCs whose PFAs have debit NTPs against another PFA shall, within one (1) working day remit the exact debit amounts to the beneficiary PFAs through their PFCs. Failure

to remit the exact debit amounts to the beneficiary PFAs through their PFCs shall attract sanctions in line with section 2.2.7.

2.4.19 The PFC shall further advise the RTCS and its PFA, within one (1) working day of effecting the transfer. Failure to advise the RTCS and its PFA of effecting transfer shall attract sanctions in line with section 2.2.7.

2.4.20 The Receiving PFC shall also within one (1) working day confirm to the RTCS the receipt of the funds mentioned in 2.4.18 above. Failure to confirm to the RTCS the receipt of funds shall attract sanctions in line with section 2.2.7.

2.4.21 The Receiving PFA shall acknowledge receipt of transfer value from the transferring PFA and notify the RTCS within one (1) working day of receipt accordingly. Failure to acknowledge receipt of transfer value from the transferring PFA and send notification to the RTCS shall attract sanctions in line with section 2.2.7.

2.4.22 Upon completion of the transfer process, the Receiving PFA shall notify the RSA holder of the transfer value received within two (2) working days. Failure to notify the RSA holder of the transfer value received shall attract sanctions in line with section 2.2.6.

2.4.23 A retiree shall only be entitled to the monthly benefits from the balance on their retirement account as the lump sum had already been paid at the commencement of the pensions.

2.4.24 Pursuant to 2.4.20 and 2.4.21 above, the RTCS shall take necessary steps to ensure that the funds are remitted accordingly if confirmation is not received by the RTCS from the Receiving PFA after five (5) working days.

2.4.25 The Commission shall also penalize any PFA and its PFC that fails to transfer the NTP or transfers any amount other than the NTP value contained in the final NTP report.

## SECTION 3: ACCOUNTING ENTRIES

### 3.1 Accounting Entries by PFAs

3.1.1 The Transferring PFA shall debit the RSA Holder's account with the outstanding balance after ensuring that all statutory charges have been made and thereafter credit the TSA.

3.1.2 Upon receipt of the final NTP report, the Transferring PFA shall debit the TSA and credit the Receiving PFA contribution account.

3.1.3 Where the Transferring PFA receives any outstanding contribution with respect to an already transferred RSA after ETD, the following accounting entries should be done;

- i. The transferring PFA shall debit (Dr.) Contribution Bank Account (TPFA) and credit (Cr.) Employer's Account
- ii. The transferring PFA shall debit (Dr.) Employer's Account and credit (Cr.) Employees Account
- iii. The transferring PFA shall debit (Dr.) Transfer Suspense Account (TSA) and credit (Cr.) Contribution Bank Account (TPFA)
- iv. The transferring PFA shall debit (Dr.) Contribution Bank Account (RPFA) and credit (Cr.) Transfer Suspense Account
- v. The transferring PFA shall debit (Dr.) Employees Account and credit (Cr.) Contribution Bank Account (RPFA)

### 3.2 Accounting Entries by PFCs

3.2.1 The Transferring PFC shall debit the RSA fund account and credit the TSA with the outstanding balance, after ensuring that all statutory charges have been made.

- 3.2.2 Upon receiving the final NTP report from the Transferring PFA and the RTCS, the Transferring PFC shall debit the TSA and credit the Receiving PFA contribution account.
- 3.2.3 Where the Transferring PFC receives any outstanding contribution on behalf of a PFA with respect to an already transferred RSA after ETD, the following accounting entries should be done;
- i. The transferring PFC shall debit (Dr.) Contribution Bank Account (TPFA) and credit (Cr.) Employer's Account
  - ii. The transferring PFC shall debit (Dr.) Employer's Account and (Cr.) RSA Fund Account
  - iii. The transferring PFC shall debit (Dr.) Transfer Suspense Account (TSA) and credit (Cr.) Contribution Bank Account (TPFA)
  - iv. The transferring PFC shall debit (Dr.) Contribution Bank Account (RPFA) and (Cr.) Transfer Suspense Account
  - v. The transferring PFC shall debit (Dr.) RSA Fund Account and credit Contribution Bank Account (RPFA)

## SECTION 4: POST TRANSFER EVENTS

### 4.1 The Transferring PFA and its PFC

- 4.1.1 Where the Transferring PFA receives any outstanding payment with respect to an already transferred RSA after the ETD, such Transferring PFA shall on the day of receipt of notification from its PFC of such payment, move the said amount to the TSA.
- 4.1.2 Further to 4.1.1 above, the Transferring PFA shall within one (1) working day advise its PFC to remit the payments received to the Receiving PFA and notify RTCS.
- 4.1.3 Upon receiving the advice in 4.1.2 above, the Transferring PFC shall remit the above payments to the Receiving PFA within one (1) working day and notify the RTCS.

### 4.2 The Receiving PFA and its PFC

- 4.2.1 Where the Transferring PFA was unable to obtain from the employer up to date contributions on the RSA, the receiving PFA shall liaise with the relevant employer to obtain all such outstanding contributions.
- 4.2.2 Upon receiving the above payments, the Receiving PFC shall within one (1) working day, notify its PFA and the RTCS.
- 4.2.3 The Receiving PFA shall notify the RSA holder and the RTCS of the receipt of such outstanding contributions after the ETD, stating the period covered.

### 4.3 Treatment of Incorrect NTP Remittance(s)

- 4.3.1 The RTCS shall within two (2) working days of noting an incorrect remittance by a PFA, penalize the PFA and advise such PFA to remit the correct amount or the balance thereon in line with section 2.2.7.

4.3.2 The PFA shall within two (2) working days of receipt of the advice in 4.3.1 above, effect payment of the outstanding balance and the penalty through its PFC.

#### **4.4 Non-receipt of Transaction History as at ETD**

4.4.1 Where detailed RSA transaction history is not received from a Transferring PFA as at ETD, RTCS shall penalize the PFA, determine a new ETD and notify the affected PFA(s).

4.4.2 Pursuant to 4.4.1 above, the transfer process shall proceed from section 2.4.10 as spelt out in this regulation.

#### **4.5 Treatment of re-submitted RSA transaction history**

4.5.1 Where an RSA holder disputes the RSA balance transferred to the receiving PFA, the affected RSA holder shall lodge a formal complaint to the Commission or the receiving PFA.

4.5.2 Pursuant to 4.5.1 above, when a valid complaint by an RSA holder has been established by the Commission against a transferring PFA, such PFA shall be sanctioned in line with section 2.2.7. The PFA shall also be required to submit a revised RSA transaction history on behalf of the RSA.

4.5.3 On receipt of the revised RSA transaction history, the RTCS shall re-compute the balance due on the RSA and advise the transferring PFA of the balance to be remitted to the receiving PFA, after deducting the amount earlier sent to the receiving PFA.

## SECTION 5: SANCTIONS AND PENALTIES RELATING TO VIOLATIONS ON THE REGULATION OF TRANSFER OF RSA

5.1 Item 13 of the Commission's Sanctions Regime recommends that the minimum customer service compliance standard for PFAs is that they provide customer service support to RSA holders including access to account balances and statement on demand. A violation of this attracts a monetary penalty of ₦100,000 per Retirement Savings Account and ₦10,000 for every month of violation.

Additionally, PFAs will pay a monetary penalty of ₦100,000 for violation of each of the following transfer processes per RSA under this sanction:

- i) Failure by the receiving PFA to notify an RSA holder of a transfer approval
- ii) Failure by receiving PFA to notify an RSA holder of the rejection of a transfer request and reasons for the rejection
- iii) Failure by transferring PFA to issue a final RSA statement to an RSA holder for the last quarter ending at the ETD
- iv) Failure by the transferring PFA to update the CRS with a new thumbprint image of RSA holder when informed of a declined transfer request due to invalid thumb print image
- v) Failure by receiving PFA to notify an RSA holder of transfer value received from transferring PFA
- vi) Failure by receiving PFA to obtain directly from RSA holders, relevant documents required for proper maintenance of an RSA account.

5.2 The Commission's Sanctions Regime item 19 recommends that PFAs that do not grant free access to information at all times shall pay an initial fine of ₦200,000 per Retirement Savings Account and ₦100,000 each day where the offence continues.

Additionally, PFAs will pay a monetary penalty of ~~N~~200,000 for violation of each of the following transfer processes per RSA under this sanction:

- i) Failure by transferring PFA to move RSA balance to TSA and advise the RTCS.
- ii) Failure by transferring PFA to send accurate detailed transaction history to RTCS.
- iii) Failure to collate, scan and send electronically to the RTCS all the documents specified in section 2.4.2.
- iv) Failure by both transferring and receiving PFA to confirm accuracy of NTP advised by RTCS.
- v) Failure by transferring PFA to remit exact debit amounts to the beneficiary PFAs through their PFCs and advise the RTCS.
- vi) Failure by transferring PFC to advise the RTCS and transferring PFA of transfers effected.
- vii) Failure by receiving PFC to confirm receipt of funds to the RTCS.
- viii) Failure by receiving PFA to acknowledge receipt of transfer value and notify the RTCS.
- ix) Failure by receiving PFA to sight, cross check and authenticate all originals and photocopies of documents required for the submission of an RSA transfer form.

## SECTION 6: REVIEW AND ENQUIRIES

### **6.1 Review**

6.1.1 These Regulations shall be reviewed in line with prevailing conditions as and when the need arises.

### **6.2 Enquiries**

6.2.1 All enquiries regarding the contents of these Regulations should be forwarded to the Director General, National Pension Commission.