



# Making the best of your post-work life

How to access your pension benefits

23/07/2020

## OBJECTIVE OF THE WEBINAR SERIES



- Equipping participants to prepare for life after work while in active service.
- Providing information on how to access your pension benefits at retirement and the documentations required.
- Delivering key insights on how to prepare for a healthy and wealthy life.



# Accessing your Retirement Benefits

Tola Adewoyin

01



# UNDERSTANDING THE FEATURES OF PWD AND ANNUITY

## Programmed Withdrawal



- ☐ Pays pension based on lifespan with increased Income;
- ☐ The retiree's monthly pension is at least 50% of the final salary;
- ☐ At death of retiree, the remaining RSA balance with accrued interest shall be transferred to legal beneficiary;
- ☐ A retiree on Programmed Withdrawal can opt for annuity at anytime;
- ☐ Pension Fund Administrators (PFAs) ensures that monthly returns are submitted to the Commission;
- ☐ Investment income is credited into retiree's RSA and the retirees receive quarterly RSA statement;
- ☐ Subject to growth in RSA, a retiree's monthly pension may be enhanced from time to time.

## Annuity



- ☐ Pays pension till death;
- ☐ The retiree's annuity is at least 50% of the final salary;
- ☐ Annuity is guaranteed for 10 years. If the retiree dies after the guaranteed period, the residual value resides with the insurance company that provided the retiree with the Life Annuity;
- ☐ Once a retiree is on life annuity, he/she cannot move back to programmed withdrawal;
- ☐ Insurance companies forward monthly returns to PenCom through NAICOM;
- ☐ Investment income is for the insurance company because it bears the risk of investment and retirees do not receive any RSA statement;
- ☐ Enhancement of pension is not applicable.



## OTHER WITHDRAWAL MODES

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### Missing Persons

Where a Retirement Savings Account holder has been declared missing for over 12 months, a Board of Inquiry set up by PenCom evaluates using available information and relevant circumstances to reasonably presume the missing RSA holder dead. The Next of Kin (NoK) of the account holder can therefore access the balance in the account after providing the required documentation.

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### Deceased

The NoK of a deceased RSA holder can access the balance in the account of the deceased upon submission of the required documents [Letter of Administration (LoA) /Will Admitted to Probate and certificate].

For employees who did not register with any PFA before their demise, their NoKs or representatives are expected to open the Death Benefit Accounts which will be created and maintained by Pension Fund Administrators.

03

### Voluntary Contribution

This is applicable to RSA holders who voluntarily make additional contributions aside their mandatory RSA contributions. In line with guidelines and regulation for VC, they can access the monies provided they meet the conditions as follows:



- **Mandatory / Active RSA Holders** - For this category of clients, 50% of the total monies in Voluntary Contributions can be accessed once in two years, as long as the funds have remained in the RSA for two years while the remaining 50% will be added to the client's RSA balance and used to compute his/her benefit at retirement. Applicable tax is applied only on the accrued interest if the monies have not stayed up to 5 years in the RSA.
- **Retirees / Foreigners** - Retirees who secure another employment while receiving their monthly pension will have their new pension deductions made into VCAs and the total balance can only be accessed at the expiration of the new employment. For Foreigners, they are able to access their benefits upon confirmation from their employers that they are returning to home country. Applicable tax is applied on both the accrued interest and principal amount if the monies have not stayed up to 5 years in the RSA.



# BENEFIT WITHDRAWAL CHECKLIST

- ✓ Completion of data recapture
- ✓ Application Form
- ✓ Passport Photograph
- ✓ Birth Certificate/Age Declaration
- ✓ Retirement/exit Letter
- ✓ Confirmation Letter (private sector only)
- ✓ Bank Account Details
- ✓ Means of Identity
- ✓ Programmed Withdrawal Agreement (those opting for PWD)
- ✓ Retiree Indemnity Form (applicable to Federal employees who retired voluntarily and it's applicable to only PWD and Annuity)
- ✓ One month Pay Slip (this should be within 3 months of exit and is applicable to only PWD and Annuity)
- ✓ Retiree consent Letter (this is applicable to only PWD and Annuity)
- ✓ Letter of employment/ first appointment/Attestation Letter (public sector employees)
- ✓ Provisional Annuity Agreement (those opting for Annuity)
- ✓ Original Bond Certificate and clearance (only applicable to some State employees)

Note: For VC applications, clients are required to complete the application form, provide means of ID & give consent for tax deductions. Retirees accessing post-retirement VC will need to provide exit letter from the employment.



# ARE YOU NEAR RETIREMENT?



Update your information with your PFA and complete data recapture

Obtain relevant information / documents from your employer – pay slips, letter accepting resignation/retirement

## GETTING READY FOR RETIREMENT

Attend the Verification Exercise of the National Pension Commission one year before retirement (For Public Sector Employees)

Conclude all clearance and reconciliation with your employer prior to retirement.



## OUR CHANNELS



Visit our website for online access  
[www.stanbicibtcpension.com](http://www.stanbicibtcpension.com).



Use our social media channels to get answers  
to all your pension related questions



Walk into  
any of our  
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Call us on our multilingual contact number 01-  
2716000, which is available 24/7.



Chat live with our experienced customer  
service representative through our website.



Our mobile offices (pension on wheels) are  
available to attend to your pension related  
requests, enquiries and complaints.



Perform various functions on your pension  
account via our SMS short code service –  
30388. Send HELP to start



Send your requests, enquiries and complaints  
to [pensionsolution@stanbicibtc.com](mailto:pensionsolution@stanbicibtc.com) and you  
will receive a response within 24 hours.



The Stanbic IBTC mobile app helps you  
monitor your pension account from the comfort  
of your mobile device





# Retirement Life Annuity Option

Ibiyemi Mezu

02

# OUTLINE



Stanbic IBTC Insurance Brokers- Who we are

Retirement Life Annuity

Types of Annuity Products

Features

Next Steps



# WHO WE ARE

Stanbic IBTC Insurance Brokers Limited (SIIBL) is a subsidiary of Stanbic IBTC Holdings company and a duly registered and licensed Insurance Broker operating as risk management consultants, Life and General Insurance Brokers and claims service experts.

## Risk Assessment

Effective risk management through risk identification, analysis, quantification, treatment and review



## Insurance Brokerage

Processing of claims promptly and equitably



## Claims Management

Insurance coverage for all risks irrespective of size or complexity

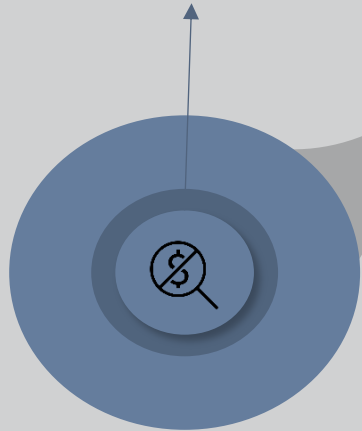


# OUR SERVICES



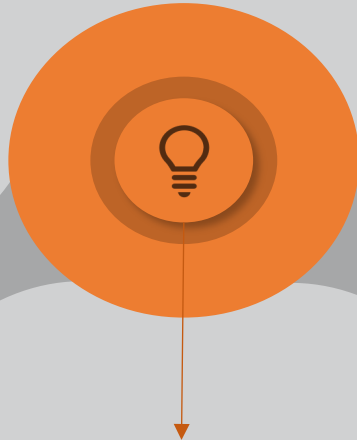
## No Additional Cost

Our Brokerage Services are at **no additional cost**. We will provide multiple quotations on Annuity from different insurance companies.



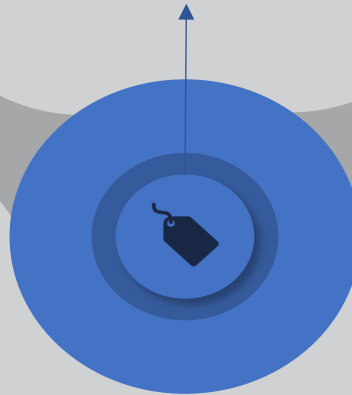
## Innovative Insurance Products

We innovatively streamline our clients' insurance portfolio through a planned diagnostic review to identify critical risk factors, followed by advice on improved processes that can minimize insurance cost effectively.



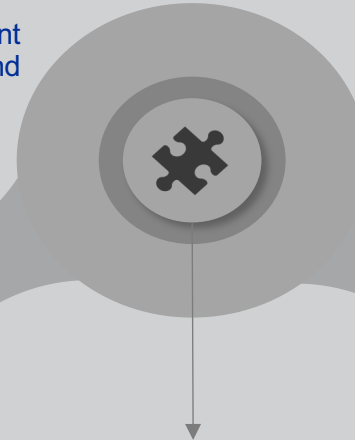
## Customer Focused solutions

We articulate clients' insurance needs and proffer insurance policies with terms and conditions that are best suited to your objectives. We represent the interest of the Client and ensure professionalism and adequate support at all times.



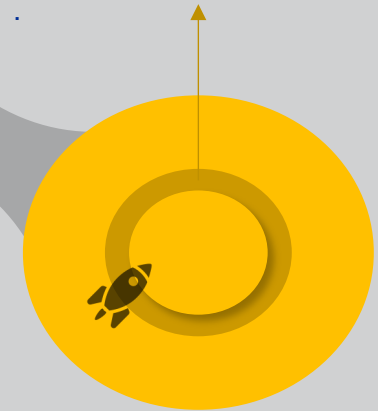
## Reputable & financially strong underwriters

Our extensive counterparty appraisal process will ensure that chosen insurance counterparties are strong and viable companies with the requisite financial ability to meet obligations.



## Prompt claims management

We continuously develop key relationships and requisite logistical processes to ensure that clients claims are promptly settled. In the case of death. We will work with your beneficiary to ensure prompt settlement.





# RETIREMENT LIFE ANNUITY

- Annuity is a retirement option where a fixed sum of money is continually paid to a retiree for the rest of his/her life. It is a contract between a retiree and an insurance company
- At retirement, the retiree's RSA balance is transferred from the Pension Fund Administrator to an approved insurance company upon approval by the National Pension Commission - PENCOM.
- The retirement annuity plan is an approved retirement option under the Pension Reform Act (PRA) 2014, the pension payments can be monthly, quarterly, half-yearly or annual. It is regulated by NAICOM and supervised by PENCOM.
- Only licensed and approved life insurance companies in Nigeria can offer retirement annuity plan. All investments of annuity fund is in line with joint guidelines issued by PENCOM and NAICOM to ensure safety and prudent management of pension funds.
- Retirees can opt to transfer to annuity at the point of retirement or at a later time after retirement. However, retirees will not be able to move back to programed withdrawal after funds have been transferred to an insurance company for the annuity option.





# RETIREMENT LIFE ANNUITY PRODUCTS

## Level Income

- This is a fixed payment plan.
- This option pays the highest at start income
- The payment is fixed throughout the Annuitants Life time
- There is a guaranteed period of Ten (10) years

## Spousal Option

- This policy provides cover for your spouse up 50%, 75% or 100% of your pension
- In event of demise of the Annuitant, the spouse automatically becomes the annuitant and payment would be made for the rest of their life
- The payment is for the annuitant and his/her spouse after his/her demise

## Increasing Income

- It creates an increase in the annuity amount at each policy anniversary
- The payment is not fixed. It takes inflation into consideration.
- The standard increase offered is usually 5% or 7.5% each year on a compounding basis



## KEY FEATURES (1)

### Payment Administration

Annuity is a life policy and is offered by only Life approved Insurance Companies. It is duly regulated by the National Insurance Commission (NAICOM) and jointly supervised by National Pension Commission (PENCOR).

### Rate Flexibility

Computation of monthly Annuity payment varies from one company to another. Retiree can obtain different quotations from various Insurance Companies

### Payment Period

Retirement Annuity Plan operates for the lifetime of the Annuitant.  
Pension payment is for Life

### Bequest motive

Should Annuitant die within the guaranteed 10 years period, the balance for the guaranteed period is paid to the named beneficiary. No payment is made to the beneficiary after the guaranteed 10 years period



## KEY FEATURES (2)

### Safety of Funds

Funds are in custody of Pension Fund Custodians (PFC). Insurance companies are not allowed to Co mingle retirement annuity funds.

### Payment type

Payment can be monthly, Quarterly or annually.

### Time value of money

No investment returns accrues to the retiree. All funds invested by the insurance company goes to the pool. The Annuitant is guaranteed payment regardless of the investment returns.

### Transfer Option

Retirees can move from programed withdrawal to annuity but cannot move from annuity to programed withdrawal.



## NEXT STEPS



At Retirement, decide on your preferred Retirement option: Programed Withdrawal or Retirement Annuity. Share your preference with your PFA and obtain the checklist of documents required for your chosen plan

### For Retirement Annuity Option:

- Stanbic IBTC Insurance Brokers (SIIBL) can provide multiple quotes from reputable insurance companies.
- Provide guidance on all required documents. To obtain the required provisional agreement, the retiree must provide the following documents:
  - Complete Proposal Form of preferred insurance company
  - One passport photograph
  - One passport photograph of beneficiary(ies)
  - Valid means of identification
  - Acceptance of retirement/ Retirement Letter
  - Copy of Cheque book/ Bank Statement/ Bank confirmation Letter
- SIIBL will obtain the provisional agreement for the retiree. This will be signed by the retiree and submitted to the PFA along with other documents on the checklist. for onward submission to PENCOM for approval.
- Upon approval, The PFA will transfer the retirees RSA balance to the Pension Fund Custodian of the Insurance company and monthly payment of pensions will commence.
- SIIBL will be available to provide the required support to both the client and beneficiary.





# THANK YOU

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Confidential

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A member of  
Standard Bank Group