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Fractioned Pension and Retired Local Government Teachers in Kwara State, Nigeria: A Qualitative Study

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Abstract: Over the years, retired civil servants in Nigeria have been battling with series of challenges. These challenges have made retirement dreadful to intending retirees and stressful to retirees. To this end, this paper explored the transitional experiences of retired teachers whose gratuity and pensions are directly administered by the local government areas in Kwara State. Kwara is one of the 36 States in Nigeria with a population of about 2.3 million. It is an agrarian and a civil service State, with limited commercial orientation until very recently. There are 16 local government areas (LGAs) in the State. The actual figure of retired local government teachers in the State was unavailable to the researchers. Qualitative methods of investigation were utilized. Purposive and snowball sampling methods were employed to access the study participants across 4 local government areas in the State. In-depth interviews were conducted on 20 retired local government teachers in the State. This was supplemented with eight gender based focus group discussion (FGD). Six participants constituted each FGD session. The interview sessions continued until the point of saturation (when subsequent interviews added little or nothing new to data that had been gathered) was achieved. In-depth interview sessions lasted between 45 and 63 minutes, while FGD lasted 1hour 57 minutes on the average. Constant comparative analysis of grounded theory was employed for the purpose of analysis. As per this analytical method, open, axial, and selective coding steps were followed in that order. Data gathering and analyses were done iteratively. Findings of the study showed that retired local government teachers in Kwara State, Nigeria: (1) were recurrently and rigorously screened at short notices; (2) were owed gratuity for several years; (3) pensions were irregular and paid in varying percentages from the year 2016 to date; and (4) post-retirement years were characterized by health and acute financial challenges; (5) took to petty trading, subsistent farming, and cut down attendance at financially demanding social gatherings. Retired local government teachers in the State expressed their lack of fulfillment in the post-retirement years. They called for local government autonomy throughout Nigeria as an important step to putting an end to their ordeals.

Key words: retirement, constant comparative analysis, grounded theory, point of saturation

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1. Introduction

The statutory retirement age from Nigerian civil service is 60 years or 35 years of unbroken service, whichever comes first. University professors and high court Judges are not exactly on the same policy; they are to retire at age 70. Age is said to denote expertise and accrued wealth of experience in these sectors, thus, the extended working years for these workers (Garba & Mamman, 2014). At retirement, retirees are entitled to gratuity and pension, as rewards for the years they had put into serving humanity and for the purpose of meeting their financial needs at old age (Ali, 2014; Garba & Mamman, 2014). Usually, with the onset of old age and dependence on pension income by many Nigerian retirees, this phase of life calls for lifestyle modifications that are crucial to living happy in the post-retirement years (Adetunde, 2017; Ali, 2014; Fapohunda, 2015; Garba & Mamman, 2014). However, retired civil servants in Kwara State were constantly and rigorously screened, thereby, putting constraints on their movement in the post-retirement years. It is to this end that this study investigated the coping strategies of retired teachers under the local government areas in the State. This was explored by examining the socio-economic stance of these retired civil servants in their post-retirement years.

2. Literature Review

2.1 Challenges of Retirement in Nigeria

A significant number of retirees, both from civil and public service are experiencing differing predicaments in their post-retirement years (Imhonopi, Urim, George & Egharevha, 2013; Imhonopi, Urim, Suleiman & Amusan, 2013). Several studies have been conducted by Nigerian scholars on those challenges that are peculiar to Nigeria in the post-retirement years. Garba and Mamman (2014), and Anieto (2013) identified one of such challenges as stemming from lack of preparedness for retirement. They argue that many retirees in the country had little or no retirement planning throughout their years in service. They explicate that such scenario could be frustrating and lead to sudden death shortly after retirement. They gave reasons for lack of retirement planning among Nigerian workers. These they identified as due to the low income earnings in the country and the burden of familial responsibilities during the active working years. They insist that workers are not well remunerated in the country, making it difficult for them to having savings after seeing to the wellbeing of their families. The vicious circle continues until work ceased and they find themselves penniless.

After retirement, getting access to their entitlements in the form of gratuity and pension becomes daunting. They may have to wait for several years before their gratuities are paid a (Adetunde, 2017; Fapohunda, 2013; Olatunde & Onyinye, 2013). The defined contributory pension scheme, which is the most recent in the country, is also not immune to this syndrome; retirees have to wait for about two years before the commencement of monthly pension (Adetunde, 2017). Eremie (2015) concludes that the core of all post-retirement challenges is lack of finance. Other challenges like health problems, stress, reduction in sense of worth, sudden death, and others, are often the consequences of financial inadequacy in the post-retirement years (Adedokun, 2010; Ali, 2014; Eremie, 2015; Oniye, 2015).

2.2 Pension Administration in Nigeria

Pension is a package put together to cater for retirees' needs in the post-retirement years. Funds for the old pension scheme (defined benefit pension scheme) are from the treasury of the federal government budgetary allocation (Gunu & Tsado, 2012). The country operated this pension scheme from 1946 to 2004 when the defined contributory scheme was enacted to eliminate some identified challenges of the former (Fapohunda, 2013; Gunu & Tsado, 2012; Odo, Igbeka & Ani, 2011). Some of the intrinsic challenges of the defined benefit scheme include diversion of pension funds, embezzlement, the obvious interference of the power that be in civil service pension, outright failure of some State governments in disbursing their part of the pension fund, inaccurate records of retirees in the country due to corruption, and insensitivity to retirees' frail health in the modality of pension disbursement ((Inaja & Chima, 2013; Odo, Igbeka & Ani, 2011). It is germane to note that Kwara State still operates the defined benefit pension scheme (Adetunde, 2017).

The 2004 Pension Reform Act was a contributory scheme; the employer and employee contributed 7.5 % each of the employee's monthly salary. The amount was kept in an account the employee opened with a government approved pension administrator. The account remained valid in the event of employee's service withdrawal to another organization. The scheme also became vulnerable to corruption among pension managers, non-remittance, low coverage, and delay in pension payment after retirement (Anazodo, Ezenwile, Chidolue & Umetiti, 2014; Eme, Uche & Uche, 2014; Fapohunda, 2013). The scheme was amended in 2008 with further amendment in 2014 to counter all its shortcomings. Employer's contribution was increased to 10%, while that of the employee became 8% of the employee's monthly take home (Eme, Uche & Uche, 2014). The main intent is to guarantee better financial safety for retirees in the post-retirement years. The pension scheme is also required for small to medium scale organizations with a minimum of three employees (Anazodo, Ezenwile, Chidolue & Umetiti, 2014; Eme, Uche & Uche, 2014).

Scholars have identified challenges with the 2014 amended scheme as lacking in coverage and also susceptible to corrupt practices. Many employers are defaulting in remittance of both their contributions and those of their employees (Tolu-Kusimo, 2016). Also, from the findings of the study carried out by Adetunde (2017), Lagos State retired civil servants had to wait for about two years before the commencement of both lump sum and pension payments. (Lagos State operates the defined contributory pension scheme). She argues that represents a negative circumstance in the post-retirement lifestyles of retirees in the State. She insists that under the old pension scheme, monthly pension allowance commences immediately after retirement (and at the most, three months into retirement). Therefore, the new pension scheme that ought to eliminate the shortcomings of the old ought not to constitute a new problem if well executed.

3. Methods of the Study

The study adopted qualitative methods of social research. Purposive and snowball sampling techniques were employed to select participants for the study. Retirees were equally accessed in their Pensioners' Union office on their meeting days. In-depth interview and focus group discussion (FGD) were utilized to gather data from participants. In-depth interview and FGD guides were prepared to direct the interview sessions. Nonetheless, questions were unstructured, giving room for participants to express their minds on their experiences and actions taken in response to such experiences. These data gathering techniques afforded the opportunity to probe participants and by this means, robust data were generated. Data were digitally collected and transcribed verbatim to preserve participants' voices. Data gathering went on till saturation point was achieved. Participants were drawn from the first 3 largest local government areas (LGAs) in the State. These were Ilorin west, Ilorin east and Ilorin south local government areas of Kwara State. The rationale behind the selection of these LGAs was because retired civil servants in the State are concentrated within these areas. To validate the data collected, participants were also drawn from the least populated LGA in the State. A total of 20 primary and junior secondary schools teachers were interviewed in the 4 LGAs. Two gender structured FGD interview sessions were conducted in each of the LGAs. Six participants, all retired local government teachers, constituted a group, bringing the total number of FGD participants to 48. The interviews lasted between 45 and 63 minutes, and FGD, 1 hour, 57 minutes on the average. To analyse the data, the constant comparative approach of grounded theory paradigm was utilized. Within this approach, the data analysis occurred simultaneously as data were being collected. The process engaged iterative sequence between data gathering and data analysis. The process continued till saturation point was achieved; this is a point when subsequent data gathering and analysis became repetition with little or no new addition to what had been gathered earlier. Open coding, axial coding and selective coding stages were the three stages judiciously adhered to throughout the analytical process. Concepts, categories, and core categories respectively emerged at the end of the analysis. The findings of the study are discussed below.

4. Findings of the Study

4.1 Recurring Rigorous Screening Exercises

The study found out that retired civil servants in the State were always subjected to rigorous screening exercises scheduled within short intervals. During such two or three- day screenings, retirees were at the venues from morning till evening, depending on when each person was attended to. Also, there were seats always insufficient to accommodate the crowd of retirees at the venues. Often, the reasons for the screenings were to identify ghost retirees and verify the documents of living retired civil servants. Findings also showed that such screenings were so important to the extent that any retiree who was absent was tagged ghost retiree. Consequently, such name was removed from pension payment list. It is pertinent to note that no excuse in regards to health challenge, or long distance journey was entertained. Elderly and sick folks were brought to the venues by their children or maids. It is also crucial to add that the study found out that such screening exercises hardly translated into timely and regular payment of gratuity and pensions. The State owed retirees gratuity ranging from four to seven years. Retirees had to bribe their way before they could be paid their gratuity within the first year of retirement. On every one million naira, a retiree had to let go of ten per cent as bribe to get paid within a year after retirement. The alternative options were either to wait for years before being paid or get connected to a strong politician in the State, who wedge influence within the State service.

4.2 Irregular Fractioned Pension Income

There also exists a dichotomy between the administration of State and local government areas pensioners within the State. Retired civil servants who were directly under the administration of the State government were owed gratuity for several years, just list their counterparts under the LGAs. However, while State retirees were regularly paid their monthly pension, pensions of local government teachers (and other retirees under the LGAs) have been irregular for the past two years. Throughout the years 2016 and 2017 (even till this year), retired teachers under the LGAs in the State were paid in irregular percentages. Their pensions were always delayed till the middle of the next month and not fully paid. This study discovered that these retired teachers collected 30% of their pension in some months and in other months, 25%, 35%, 50% etc. But for their Pensioners Union, retired LGA teachers would have found it difficult to remember how many months salaries the LGAs owed them, considering their age. Many of them had lost count since the payments were in different percentages ach month and for more than two years. However, the executives of the LGA retirees showed the document containing the percentages the local government areas owed their retirees each month, and for two years. Incidentally, while one of the female focus group discussion sessions was ongoing, participants received credit alerts of 25% of their pension income for the past month. This was shown to the researcher moderating the discussion there and then, to validate their claims.

4.3 Health and Financial Challenges in the Post-retirement Years

Due to the delayed payment of gratuity, the irregular and fractioned pension income that characterised the post-retirement experiences of LGA retirees in Kwara State, health challenges were unavoidably rampant. Participants complained bitterly about the financial and health challenges they were faced with. They brought to remembrance how some of their counterparts slumped at screening venues and died few days later. For instance, some of them who were hypertensive had stroke, while others died due to financial anxiety. When asked the type of supports they received from their children, many of the participants explicated that unemployment and under-employment was the bane of financial assistance from their children. Nevertheless, their children were visiting them and managing to get them food items at the end of each month. Participants were not too comfortable depending on their children who also have families to care for.

4.4 Coping Strategies in the Post-retirement Years

Participants enumerated their coping strategies and those of their colleagues. Many of the men took to subsistence farming to feed their immediate families. They, nevertheless, complained of body pains each time they went to the farm. One of them had poultry within his living premises. Another went from one private school to another selling administrative material such as time book, class registers, and visitors' registers. A few of the women were into petty trading within and outside their residences. A female participant turned her house to a crèche caring for toddlers when the parent was at work. Some of them who were not too old took up teaching appointment in private schools around their residences.

More importantly, participants said they have cut down on their attendance at social functions and buying ceremonial wears as it is popular in Nigeria these days. They intentionally avoided any occasion that would be financially demanding. Some participants with health challenges depended on their pensions and supports from children. All of them said they ate whatever was available, though they made efforts to cut down on carbohydrate foods.

5. Conclusion

On the solutions to their predicaments, all the participants insisted that local government autonomy from State government is a good step in the right direction. They implored the federal government to consider the long awaited LGA autonomy across the country. They argued that the basis for their fractioned pension lied in the diversion of LGA allocation by the State government. They insisted that local government allocation from federal usually did not get to the LGAs; part of it was always diverted into other project by the State government. They believed that if LGAs are granted financial autonomy, such practices would be impossible and they would be better off for it as LGA retirees.

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