

A BILL

FOR

AN ACT TO REPEAL THE NIGERIA SOCIAL INSURANCE TRUST FUND ACT, 1993 AND TO ESTABLISH THE COMPREHENSIVE POVERTY AVOIDANCE SOCIAL SECURITY SCHEME AND FOR MATTERS CONNECTED THEREWITH

[]

Commencement.

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows -

PART I - PRELIMINARY PROVISIONS

1. There is hereby established a social security scheme to be known as the "Comprehensive Poverty Avoidance Social Security Scheme" (in this Act referred to as "COMPASS").

Establishment of the Comprehensive Poverty Avoidance Social Security Scheme.

2. The objectives of this Act shall be to -

Objectives of the Scheme.

(a) extend social security coverage to every person in Nigeria based on the contributory social insurance principle;

(b) provide Social Assistance to destitutes, orphans and other vulnerable members of the society in collaboration with non governmental organisations;

(c) promote poverty avoidance by empowering the people through equitable wealth re-distribution mechanisms and social solidarity;

(d) meet, to a large extent, the need and demand of persons in Nigeria for social security;

(e) create and market vigorously a social security package that reflects the highest-priority social protection needs in Nigeria;

(f) promote public awareness and enlightenment on social security issues with a view to engendering national participation in social protection schemes for the benefit of contributors and their families;

- (g) ensure the efficient investment of funds contributed under this Act with a view to enhancing the viability, growth, security, self-reliance and sustainability of the Scheme;
- (h) strengthen the culture and the demand for social security services in general;
- (i) promote income security of the contributors to the social security scheme under this Act;
- (j) nurture and sustain for the scheme a culture of transparency, efficiency, reliability, accountability and a high level of credibility, to facilitate the growth, resilience and long-term sustainability of the scheme;
- (k) promote minimum social security standards and best practices as prescribed in the International Labour Organisation Conventions; and
- (l) recognise, adapt and promote existing social security schemes and programmes in the informal sector.

3.-(1) The provisions of this Act shall apply to -

Scope of the Scheme.

- (a) every employee in the formal sector of the economy in Nigeria;
- (b) every employee in the informal sector of the economy in Nigeria;
- (c) every self-employed person in Nigeria;
- (d) any other person or group of persons who may wish to make contributions under the Scheme.

(2) Any person(s) to which Section 3(1) of this Act applies may make contributions under the Scheme established under this Act.

Rates of contributions.

4-(1) For a period of 2 years from the commencement of this Act, the minimum rate of contribution for each contingency specified in section 22(2) of this Act shall -

- (a) in the case of an employee in the formal sector be 1.5% of the employee's monthly emolument, but not less than N300.00 per contingency, and the Government shall match such contributions with a sum equivalent to the monthly contribution;

(b) in any other case be not less than ₦100 per contingency monthly and the Government shall match the contribution by an amount equivalent to 200 per cent of such contribution subject to a maximum of N200.00 per month.

(c) Where an employee mentioned in paragraph (a) of subsection (1) of this section decides to increase his contributions, the following rates of increase and matching grant shall apply:

<u>Contributions</u>	<u>Matching Contributions</u>
i) 1.5%	1.5%
ii) 2%	1.75%
iii) 2.5% and above	2%

(2) The Board established under section 6 of this Act may, at the expiration of the period of 2 years specified in subsection (1) of this section, make regulations or issue guidelines, from time to time, on the rates of contributions payable by members into the Fund established under section 5 of this Act and regulations or guidelines shall be approved by the Minister and published in the official gazette.

(3) The Board may, in prescribing the rates of contributions, specify the rates of contribution applicable to each contingency to be covered and such contributions shall as far as practicable be segregated and managed for the purpose of that contingency only.

(4) The Board shall specify the percentage of the contribution to be utilised as administrative cost from each contingency mentioned in subsection (3) of this section and such rates may be reviewed by the Board, from time to time, upon an actuarial advice.

(5) Contributions of the various categories in respect of contingencies shall be paid on a monthly basis and any contribution payable in respect of each month shall fall due on the last day of the month concerned.

(6) (a) The contributions under subsection (1)(a) of this section shall be deducted at source in respect of a member by the employer from the monthly emolument and the employer shall remit such deduction to the custodian.

Remittance by
the contributors

(b) Contributions under subsection (1)(b) of this section shall be paid to the Fund directly by the contributor under condition to be presented by the Board in the Regulations.

(7) The Federal Government shall pay the matching contributions for all the contributors and the remittance made monthly to the Fund upon the receipt of a custodial report issued to the Federal Ministry of Finance by the custodian bank(s) appointed by the Fund.

Remittance of matching contributions

(8) All contributors to which this Act applies shall be registered in such manner as may be prescribed by the Board.

PART II - ESTABLISHMENT OF THE COMPREHENSIVE POVERTY AVOIDANCE SOCIAL SECURITY FUND AND ITS MANAGEMENT BOARD

5.-(1) There is hereby established a fund to be known as the Comprehensive Poverty Avoidance Social Security Fund (in this Act referred to as "FUND").

Establishment of the Comprehensive Poverty Avoidance Social Security Fund, etc.

(2) The fund established under subsection (1) of this section shall comprise the following constituent funds:

- (i) Unemployment Fund.
- (ii) Sickness Fund.
- (iii) Family Security Fund
- (iv) Invalidity Fund.
- (v) Old Age Fund

(3) The funds mentioned under sub-section (2) of this section shall be financed by:

Funding

- (a) take-off grant by the Federal Government;
- (b) voluntary contributions by employees in the formal sector of the economy;
- (c) voluntary contributions by employees and self-employed persons in the informal sector of the economy;
- (d) matching contribution from the Federal Government;
- (e) return on investments of the Scheme;

- (f) Contributions made pursuant to any other enactment or law;
- (g) gifts, grants-in-aids and donations to the scheme which are not inconsistent with the objectives of the scheme;
- (h) any other money or funds that may be accruable to the scheme pursuant to the functions of the Board established under this Act.

6.-(1) There is hereby established for the management of the Fund, established under section 1 of this Act, a body to be known as the Comprehensive Poverty Avoidance Social Security Management Board (in this Act referred to as "the Board").

Establishment of the
Comprehensive
Poverty Avoidance
Social Security
Management Board.

(2) The Board -

(a) shall be a body corporate with perpetual succession and a common seal; and

(b) may sue or be sued in its corporate name.

(3) The Board shall consist of -

(a) the part-time Chairman and other members who shall be appointed by the President on the recommendation of the Minister as follows;

(b) one person each nominated by -

(i) the informal sector,

(ii) the Trade Union Congress,

(ii) the Nigeria Labour Congress, and

(iii) the Nigerian Employers Consultative Association.

(c) one representative each of -

(i) the Federal Ministry of Labour and Productivity,

(ii) the Federal Ministry of Finance,

(iii) National Pension Commission

(e) two Executive Directors; and

(f) the Managing Director.

(4) The supplementary provisions set out in the First Schedule to this Act shall have effect with respect to the proceedings of the Board and the other matters contained therein.

First Schedule.

7. The members of the Board, other than *ex-officio* members, shall hold office for a term of 3 years in the first instance and may be re-appointed for a further term of 3 years and no more.

Tenure of office.

8. -(1) Notwithstanding the provisions of section 7 of this Act, a member of the Board shall cease to hold office if -

Cessation of membership.

(a) he resigns his appointment as a member of the Board by notice, under his hand, addressed to the President; or

(b) he becomes of unsound mind; or

(c) he becomes bankrupt or makes a compromise with his creditors; or

(d) he is convicted of a felony or of any offence involving dishonesty or corruption; or

(e) he becomes incapable of carrying on the functions of his office either arising from an infirmity of mind or body; or

(f) the President is satisfied that it is not in the interest of the Board or in the interest of the public for the person to continue in office and notifies the member in writing to that effect.

(2) Where a vacancy occurs in the membership of the Board, it shall be filled by the appointment of a successor to hold office for the remainder of the term of office of his predecessor: Provided that the successor shall represent the same interest as his predecessor.

(3) The Board constituted in accordance with section 6 of this Act shall continue to function regardless of the dissolution of the Board provided that the members appointed pursuant to sections 6(3)(b)(c)(e) and (f) have not exhausted their tenure of office.

9. The Chairman and members of the Board shall be paid such emoluments, allowances or incidental expenses as may be approved by the appropriate agency of Government from time to time.

Allowances, etc.
of members.

PART III - POWERS AND FUNCTIONS OF THE BOARD

10. The Board shall have power to -

Powers of the Board.

- (a) enforce the provisions of this Act;
- (c) acquire, hold and alienate property, real or personal;
- (d) enter into any contract or other transactions for the purposes of performing its functions under this Act;
- (e) manage and administer any social security fund established pursuant to this Act or any other enactment or law; and
- (f) do anything or exercise any power which it considers expedient for the effective performance of its functions under this Act.

11. The Board shall -

- (a) administer and manage the Funds established under this Act;
- (b) collect and invest all contributions made pursuant to this Act;
- (c) effect payment of various benefits provided under this Act to which any person is entitled;
- (d) formulate policies, programmes and strategies for enhancing the social security scheme in Nigeria;
- (e) creating and maintaining national data base on social security;
- (e) carry out public awareness and education on social security matters in Nigeria;
- (f) perform such other duties as are necessary or expedient to ensure the efficient performance of the functions of the Board under this Act.

Functions of
the Board.

PART IV - MANAGEMENT AND STAFF OF THE BOARD

12. (1) There shall be for the Board, a Managing Director and two Executive Directors who shall be appointed by the President, on the recommendation of the Minister.
- (2) The Minister shall, after consultations with the Nigeria Labour Congress, Trade Union Congress and NECA make recommendations to the President on the appointment of the Managing Director or an Executive Director.
- (3) The Managing Director shall be the chief executive of the Management Board and shall, subject to the general control of the Board, be responsible for the day to day administration of the affairs of the Board.
- (4) The Managing Director and the Executive Directors shall each hold office for a term of four years in the first instance and shall be eligible for re-appointment for one further term of three years and no more.
- (5) Notwithstanding the provisions of section 12(3) of this Act, the Managing Director or an Executive Director of the Board may be removed from office by the President, if any circumstances arise which would require the Managing or Executive Director to cease to hold office as a member of the Board under section 6 of this Act.
- (6) The Board shall cause to be appointed a person with relevant academic and professional qualification as Secretary to the Board.
- (7) The Secretary shall, subject to the directions of the Board, arrange the business of the meetings of the Board, conduct the correspondence of the Board and perform such other functions as the Board or the Managing Director may, from time to time, direct.
- (8) The Board may employ such other staff as may, in the opinion of the Board, be necessary to assist the Managing Director in carrying out the functions of the Board under this Act.
- (9) The terms and conditions of service (including term and conditions as to remuneration, allowances, pensions, gratuities and other benefits) of the persons employed by the Board shall be as determined by the Board from time to time.

Appointment of
Managing Director and
Executive Directors.

Removal from office of
Managing Director and
Executive Director.

Appointment of
Secretary and other
staff.

(10) The employment and management of the employees shall rest in the Board, but may be delegated to the Managing Director.

13.-(1) Subject to the provisions of this Act, the Board may make staff regulations relating generally to the conditions of service of the staff.

Staff regulations.

(2) The staff regulations made under subsection (1) of this section shall not have effect until approved by the Board and the Board shall cause a notice of the staff regulations to be issued to all affected staff in such manner as the Board may, from time to time, determine.

PART V - FINANCIAL PROVISIONS

14. The funds accruing to the scheme shall be applied for -

Expenditures of the scheme.

(a) payment of the benefits as specified in the Second Schedule to this Act;

(b) payment of remuneration and allowances of members and staff of the Board;

(c) the day-to-day administration of the Board;

(d) supporting activities and programmes on the avoidance of poverty;

(e) provisions of essential infrastructure or materials required for carrying out the functions of the Board under this Act; and

(e) carrying out any activity or doing anything with respect to any of the functions the Board under this Act.

15. The Board shall cause to be prepared not later than 31st day of August in each year, an estimate of its income and of expenditures for the succeeding year.

Annual estimates, etc.

16. The Board shall cause to be kept proper accounts and records in relation thereto, and such account shall, not later than 4 months after the end of each financial year, be audited by auditors appointed by the Board from the list and in accordance with the guidelines supplied by the Auditor-General for the Federation.

Accounts and audits.

17. The Board shall not later than 6 months after the end of each year submit to the President through the Minister a report on the activities and administration of the Board during the immediately preceding year and shall -

Annual reports, etc.

(a) include in such report the audited accounts of the Board and the auditors report thereon;

(b) cause such report to be published and distributed to all the social partners and the National Assembly; and

(c) cause the said report to be published in at least three National Daily Newspapers.

18.-(1) The Board may accept gifts of land, money or other property or things upon such terms and conditions, if any, as may be specified by the person or organisation making the gift.

Power to accept gift.

(2) The Board shall not accept any gift if the conditions attached by the person or organisation making the gift are inconsistent with the aims and objectives of the scheme under this Act.

19. The Board may subject to guidelines by the appropriate authority, borrow money by way of overdraft or loan for the purpose of carrying out its functions under this Act.

Power to borrow.

PART VI - BENEFITS

20.-(1) Subject to this Act, the benefits payable to or in respect of any contributor shall be at such rates and on such contingency as specified in the Second Schedule to this Act subject to such terms and conditions as the Board may, by Regulations, from time to time, prescribe.

Benefits payable to contributors.
Second Schedule.

(2) Without prejudice to the generality of the provisions of subsection (1) of this section, the benefits payable to a contributor under this Act shall include -

- (a) unemployment benefit,
- (b) sickness or temporary disability benefit;
- (c) family benefit;
- (d) invalidity or permanent disability benefit;
- (e) old age benefit;

(f) survivors' benefit.

(3) The Board may, in addition to the benefits specified in subsection (2) of this section, pay special incentive benefits to any contributor who satisfies such conditions as the Board may, by Regulations, prescribe from time to time, and such special incentive benefits shall include -

(a) early withdrawal benefit;

(b) enterprise promotion benefit;

(c) capacity building benefit;

(d) no-claim bonus;

(e) scholarship awards;

(f) savings benefits.

21. The Board may, from time to time, specify such other benefits as it may consider expedient in the circumstances and such benefits shall be payable in such manner as may be prescribed by the Board.

Other forms of benefits.

22.-(1) Any benefit payable under this Act shall -

Benefits exempted from tax, etc.

(a) be exempted from tax; and

(b) not be liable to attachment for debt under any process of law.

(2) Any contributions to the scheme under this Act shall be inalienable and shall not be assets for the benefit of creditors in the event of the bankruptcy or insolvency of the contributor.

PART VII - OFFENCES AND PENALTIES

23.-(1) Any person to which subsection (1) (a) and (b) of section 4 of this Act applies, who -

Offences and penalties.

(a) for the purpose of obtaining any payment or other benefit under this Act or any regulations made thereunder for himself or some other person -

(i) knowingly makes a false statement or representation, or

- (ii) knowingly produces or furnishes or causes to be produced or furnished any document which is false in any material particular; or
- (iii) obstructs any officer of the Board in the discharge of his duties under this Act or any regulations made thereunder,

commits an offence and shall on conviction be liable to a fine of not less than N30,000.00 or imprisonment for a term of not less than one year or to both such fine and imprisonment and in the case of fraudulent claim, the total benefit paid shall be refunded to the Board.

(2) Any person who -

(a) deducts contribution(s) from the employee's emoluments and withholds same or refuses or neglects to remit the same deduction to the Board, commits an offence and shall be liable on conviction -

(i) in the case of a first offender, to a fine of N30,000 or 500 *per cent* of the amount of the contribution involved together with accrued interest at the prevailing Treasury Bill rate, whichever is higher, or

(ii) in the case of a second or subsequent offender, to a fine of N60,000 or 500 *per cent* of the amount of the contribution involved together with accrued interest at the prevailing Treasury Bill rate, whichever is higher.

(3) Where an offence under this section is committed by -

(a) a body corporate, every director or officer of the body shall be deemed to have committed the offence and shall be proceeded against and be liable accordingly; or

(b) a partnership or other association of individuals, every partner or officer of that body shall be deemed to have committed the offence and shall be proceeded against and be liable accordingly.

(4) No director, officer or partner shall be liable for an offence committed under this section if he proves to the satisfaction of the court that the offence was committed without his consent and connivance and that he exercised all due diligence to prevent the commission of the offence, having regard to all the circumstances.

PART VIII - LEGAL PROCEEDINGS

24. Subject to section 174 of the Constitution of the Federal Republic of Nigeria 1999 (which relates to the power of the Attorney-General of the Federation to institute, continue or discontinue criminal proceedings), any employee of the Board authorised in that behalf by the Board and who is a legal practitioner may, before any court of competent jurisdiction, conduct or defend any complaint or other proceedings arising under this Act.

conduct of proceedings in certain cases.

25. The court before whom any person is convicted of an offence under this Act may, without prejudice to any civil remedy order that person to pay to the Fund, the amount of any contributions together with any interest or penalty on the contribution, certified by the Board to be due from that person to the Fund at the date of the conviction and the amount shall be paid into the Fund for the credit where applicable, of the employees concerned.

Court to order payment of contributions together with interest and penalty.

26. Proceedings in respect of an offence under this Act may be commenced at any time after commission of the offence.

Proceedings for offences may be commenced at any time

27. Notwithstanding anything contained in any Limitation Law or in any other law, contributions under this Act together with any interest or penalty payable or imposed for late payment may be recovered by an action for a debt owing to the Board at any time within twelve years from the date when the contribution or penalty becomes due.

Time for commencement of proceedings for recovery of contributions.

28.. -(1) Subject to the provisions of this Act, the provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against any member or officer or employee of the Board.

Limitation of suits against the Board., etc. Cap. 379 LFN.

(2) Notwithstanding anything contained in any other law or enactment, no suit against a member of the Board, the Managing Director or any other officer or employee of the Board for any act done in pursuance or execution of this Act or any other law or enactment, or of any public duties or authority or in respect of any alleged neglect or default in the execution of this Act or any other law or enactment, duties or authority, shall lie or be instituted in any court unless it is commenced -

(a) within three months next after the act, neglect or default complained of; or

(b) in the case of a continuation of damage or injury, within six months next after the ceasing thereof.

(3) No suit shall be commenced against a member of the Board, the Managing Director or any other officer or employee of the Board before the expiration of a period of one month after written notice of the intention to commence the suit shall have been served on the Board by the intending plaintiff or his agent.

(4) The notice referred to in subsection (3) of this section shall clearly and explicitly state -

- (a) the cause of action;
- (b) the particulars of the claim;
- (c) the name and place of abode of the intending plaintiff; and
- (d) the relief which he claims.

29. A notice, summons or other document required or authorised to be served on the Board under the provisions of this Act or any other law or enactment may be served by delivering it to the Managing Director or by sending it by registered post addressed to the Managing Director at the principal office of the Board.

Service of documents.

30. -(1) In any action or suit against the Board, no execution or attachment of process in the nature thereof shall be issued against the Board unless not less than three months notice of the intention to execute or attach has been given to the Board.

Restriction on execution against property of the Board.

(2) Any sum of money which by the judgment of any court has been awarded against the Board shall, subject to any direction given by the court, where no notice of appeal against the judgment has been given, be paid from the fund of the Board.

Indemnity of officers.

31. A member of the Board, the Managing Director or any officer or employee of the Board shall be indemnified out of the assets of the Board against any liability incurred by him in defending any proceeding, whether civil or criminal, if the proceeding is brought against him in his capacity as a member, Managing Director, officer or other employee of the Board.

PART IX - MISCELLANEOUS PROVISIONS

32. Any question as to the liability of an employee or any other person to pay contributions under this Act shall be determined by the Managing Director whose decisions shall be subject to the approval of the Board.

Determination of questions as to liability to contribute.

33. No stamp duty shall be payable on any receipt, contract, instrument or other document given or executed by or on behalf of the Board.

Documents executed by the Board not liable to stamp duty.

34. The Board shall not be liable to pay tax by whatever name called.

Board exempted from payment of tax.

35. Notwithstanding anything to the contrary in any enactment or law, contributions under this Act shall form part of tax deductible expenses in the computation of taxes payable by the contributor(s) under any relevant law applicable to income tax.

Contributions to be tax deductible.

36.-(1) Where, in respect of a merger scheme under the Investments and Securities Act, an order is made by the court which includes the transfer to the company of the whole or any part of the undertaking and of the property and

acquisitions, etc.
1999 No.....

liabilities of any transferor company, the order shall include provisions for the taking over as from such date as may be specified in the order, of the liability for any contribution that had become payable to the Fund (together with any accrued interest thereon) in respect of the employees concerned in the undertaking, property or liability transferred.

Transfer of liability to contribution in the case of mergers.

(2) Any transferee company to which subsection (1) of this section applies, shall be liable in respect of the contribution concerned to the same extent as the transferor company was immediately before the date of the undertaking, property or liability.

37.-(1) The Board, shall, at least once every 2 years, appoint an Actuary to review the operations of the Scheme under this Act.

Review of operations of the Scheme.

(2) An Actuary appointed pursuant to subsection (1) of this section, shall prepare a report on the state of the scheme and, in regard to any deficiency revealed, he shall state what action he recommends should be taken thereon.

(3) The Board shall submit a copy of the report of the actuary to the Minister together with the observation(s) of the Board on any recommendation(s) made by the actuary.

38.(1) The Board may, with the approval of the Minister, make such regulations for giving full effect to the provisions of this Act and without prejudice to the generality of the foregoing, the Board may make regulations for -

Power to make regulations.

(a) the prescription of anything required to be prescribed under the Act;

(b) the prescription of rates of contributions payable under this Act;

(c) specifying the records to be kept by the Board and its employees in respect of contributions to the scheme;

(d) specifying the method of collecting contributions under this Act;

(e) the prescription of the procedure for making claims and making payments under this Act;

(e) the prescription of any forms or documents required for the purposes of this Act; and

(f) the prescription of the procedure for assessment of contributions by or on behalf of the Board.

(2) Notwithstanding subsection (1) of this section, the Board may issue guidelines to give full effect to the provisions of this Act.

39. The provisions of the Trustees Investments Act shall not apply to the investment of money by the Board.

40. -(1) A member of the Board, the Managing Director or any other officer or employee shall - Secrecy.

(a) not, for his personal gain, make use of any information which has come to his knowledge in the exercise of his powers or is obtained by him in the ordinary course of his duty as a member of the Board or as the Managing Director, officer or employee of the Board;

(b) treat as confidential any information which has come to his knowledge in the exercise of his powers or is obtained by him in the performance of his duties under this Act;

(c) not disclose any information referred to under paragraph (b) of this subsection, except where required to do so by a court or in such other circumstances as may be prescribed by the Board, from time to time.

(2) Any person who contravenes the provisions of subsection (1) of this section commits an offence and shall on conviction be liable to a fine of not less than ₦50,000 or imprisonment for a term not exceeding 2 years or to both such fine and imprisonment.

41. The Nigeria Social Insurance Trust Fund Act 1993 (in this Act referred to as "the repealed enactment") is hereby repealed.

Repeal of the
1993 No. 73.

42.(1) There shall continue be vested in the Board, established under this Act, and without further assurance, all assets, funds, resources and other immovable property which immediately before the commencement of this Act were vested

Savings and transitional
provisions.

in the Board established under the repealed enactment and existing immediately before the commencement of this Act.

(2) All rights, interests, obligations and liabilities of the Board existing immediately before the commencement of this Act under any contract or instrument, or in law or in equity shall by virtue of this Act continue to be vested in the Board established under this Act.

(3) Any contract or instrument referred to in subsection (2) of this section shall be of the same force and effect against or in favour of the Board existing immediately before the commencement of this Act and shall continue to be enforceable as fully and effective as if this Act had not been enacted.

(4) The Board established under this Act shall continue to be subject to all obligations and liabilities to which the Board existing immediately before the commencement of this Act was subject immediately before the commencement of this Act, and all other persons shall as from the commencement of this Act have the same rights, powers and remedies against the Board existing immediately before the commencement of this Act as they had against the Board existing immediately before the commencement of this Act.

(5) Any proceeding or cause of action pending or existing immediately before the commencement of this Act by or against the Board existing immediately before the commencement of this Act in respect of any rights, interests, obligation or liability of the Act may be continued, or as the case may require, be commenced and the determination of a court of law, tribunal or other authority or person may be enforced by or against the Board established under this Act to the same extent that such cause of action or determination might have been continued, or enforced by or against the Board existing immediately before the commencement of this Act as if this Act had not been made.

(6) Notwithstanding the provisions of this Act, a director, staff or person who immediately before the commencement of this Act held office in the Board existing immediately before the commencement of this Act shall continue to hold such office in the Board established under this Act on terms and conditions not less favourable than those obtaining immediately before the commencement of this Act and service in the Board existing immediately before the commencement of this Act shall continue to be service of the Board established under this Act.

(7) Subject to the provisions of this Act, notices made or issued or deemed to be made or issued by or for the purposes of the Board existing immediately before the commencement of this Act shall be deemed to have been made or issued by or for the purposes of the Board established under this Act and shall continue in force until revoked or as amended;

43. In this Act, unless the context otherwise requires -

Interpretation.

“benefit” means any benefit payable under this Act;

“Board” means the Comprehensive Poverty Avoidance Social Security Management Board established under section 5 of this Act;

“contribution” means any contribution payable under this Act;

“Custodian” has the same meaning as provided under section 102 of the Pension Reform Act, 2004.

“formal sector” includes -

(a) the public service of all tiers of Government,

(b) any company incorporated under the Companies and Allied Matters Act, or

(c) any partnership irrespective of the number of persons employed by the company or partnership;

“Fund” means the constituent funds maintained for the various contingencies specified under section 5 (2) of this Act;

“informal sector” includes any business not registered under the Companies and Allied Matters Act 1990; and not covered under the formal sector.

“Self employed” are persons who are neither in the formal nor informal sectors.

“Managing Director” means the Managing Director for the Board appointed pursuant to section 12 of this Act;

“member” means a member of the Board and includes the Chairman;

“Minister” means the Minister charged with responsibility for matters relating to labour, employment and productivity;

“monthly emolument” means a total sum of basic salary, housing allowance and transport allowance;

“Scheme” means the Comprehensive Poverty Avoidance Social Security Scheme established under section 1 of this Act;

“Social partners” means -

- (a) Nigeria Labour Congress,
- (b) Trade Union Congress; and
- (c) Nigeria Employers' Consultative Association;

"social security" includes any system by which the members of the scheme may or may not pay contributions into the funds established under Section 5(1) of this Act and from which benefits are paid to such contributors in times of unemployment, sickness, maternity, old age, death and/or any other contingencies that may be prescribed by the Board in the Regulations made pursuant to this Act.

46. This Act may be cited as the Comprehensive Poverty Avoidance Social Security Scheme Management Board Act 2005.

Short title.

FIRST SCHEDULE

Section 6(4)

SUPPLEMENTARY PROVISIONS RELATING TO THE BOARD

Proceedings of the Board

1. Subject to this Act and section 27 of the Interpretation Act, the Board shall have power to regulate its proceedings and may make standing orders with respect to the holding of its meetings, and those of its committees, notices to be given, the keeping of minutes of its proceedings, the custody and production for inspection of such minutes and such other matters as the Board may, from time to time, determine.

Cap. 192 LFN.

2. -(1) There shall be at least four ordinary meetings of the Board in every calendar year and subject thereto, the Board shall meet whenever it is convened by the Chairman, and if the Chairman is requested to do so by notice given to him by not less than 3 other members, he shall convene a meeting of the Board to be held within 14 days from the date on which the notice was given.

(2) Every meeting of the Board shall be presided over by the Chairman and if the Chairman is unable to attend a particular meeting, the members present at the meeting shall elect one of their number to preside at the meeting.

3. The quorum for any meeting of the Board shall consist of the Chairman (or in an appropriate case, the person presiding at the meeting pursuant to paragraph 2 of this Schedule) and three other members, two of whom must be ex-officio members.

4. The Board shall meet for the conduct of its business at such places and on such days as the Chairman may appoint.

5. A question put before the Board at a meeting shall be decided by consensus and where this is not possible, by a majority of the votes of the members present and voting.

6. The Chairman shall, in the case of an equality of votes, have a casting vote in addition to his deliberative vote.

7. Where the Board seeks the advice of any person on a particular matter, the Board may invite that person to attend a meeting of the Board for such period as it thinks fit, but a person who is invited by virtue of this paragraph shall not be entitled to vote at any meeting of the Board and shall not count towards the quorum.

Committees

8. The Board may appoint one or more committees to carry out on behalf of the Board such of its functions as the Board may determine and report on any matter with which the Board is concerned

9. A committee appointed under paragraph 8 of this Schedule shall be presided over by a member of the Board and consist of such number of persons (not necessarily all members of the Board) as may be determined by the Board, and a person other than a member of the Board shall hold office on the committee in accordance with the terms of his appointment.

10. A decision of a committee of the Board shall be of no effect until it is confirmed by the Board.

Miscellaneous

11. The fixing of the seal of the Board shall be authenticated by the signature of the Managing Director and such other person authorised by the Board to act for that purpose.

12. A contract or an instrument which, if made or executed by any person not being a body corporate, would not be required to be under seal, may be made or executed on behalf of the Board by the Chairman or the Managing Director or by any person generally or specifically authorised to act for that purpose by the Board.

13. A document purporting to be a contract, an instrument or other document signed or sealed on behalf of the Board shall be received in evidence and, unless

the contrary is proved, be presumed without further proof, to have been properly signed or sealed.

14. Any question arising as to the liability of a contributor to pay contributions under this Act, shall be determined by the Managing Director.

15. The validity of any proceedings of the Board or its committees shall not be affected by -

(a) any vacancy in the membership of the Board or its committees; or

(b) reason that a person not entitled to do so took part in the proceedings; or

(c) any defect in the appointment of a member.

16. Any member of the Board or committee thereof who has a personal interest in any contract or arrangement entered into or proposed to be considered by the Board or any committee thereof -

(a) shall forthwith disclose his interest to the Board or committee; and

(b) shall not vote on any question relating to the contract or arrangement.

SECOND SCHEDULE Section 22

Scale of Benefits Payable under the Comprehensive Poverty Avoidance Social Security Scheme

PART A: CONTINGENCIES

The benefits payable to the contributors within each category of contingency shall be as follows -

(1) Contingency: Unemployment

(a) *Coverage:*

All employees in the formal sector.

(b) *Exemptions:*

All self employed and employees in the informal sector..

(c) *Benefits:*

Monthly payment corresponding to minimum of 50 *per cent* of the average insurable earning of the contributor in the last 3 months immediately preceding the unemployment

Duration of benefit: 6 months maximum

(d) *Eligibility:*

A person shall be eligible to the payment of benefit under this contingency if:

- (i) he is unemployed at the time of claim,
- (ii) is capable of, available for, and actively seeking for work,
- (iii) his unemployment is involuntary, and
- (iv) he had paid up to 36 months of contributions with at least 12 months of same paid in the 36 months immediately preceding unemployment.
- (v) For subsequent payments, a minimum of 24 months contributions shall be made before access to the benefit.
- (vi) Any other condition that the Board may, by regulations prescribed.

(2) **Contingency: Sickness (Temporary Disability)**

(a) *Coverage:*

- (i) Formal sector employees
- (ii) Informal sector employees,
- (iii) Self-employed persons,

Benefits:

Monthly payment of a minimum of 200 *per cent* of the total monthly insured contribution of the insured person for a period of not more than 6 months subject to a minimum of ₦1,000.00 per month.

Duration - 6 months maximum

(b) *Eligibility:*

Eligibility to the payment of benefit under this contingency shall be subject to:

- (i) minimum of 24 months contribution since joining the Scheme,
- (ii) minimum of 24 months contributions since the member's immediate previous enjoyment of this benefit, or
- (iii) any other condition that the Board may, by regulations, prescribe.

(3) **Contingency: Family Security (maternity and children school fees savings)**

(a) *Coverage:*

- (i) Formal sector employees
- (ii) Informal sector employees,
- (iii) Self-employed persons,
- (iv) Only one spouse contributes for the contingency

Benefits:

(i) Duration: Payment of maternity benefit of 200 *per cent* of the total monthly insured contribution of the insured person or of her husband for a period of 3 months of maternity leave subject to a minimum of ₦1,000.00,

(ii) Payment of other family-support benefits as may be determined from time to time by the Board.

(b) *Eligibility:*

Eligibility to the payment of benefit under this contingency shall be subject to:

- (i) confirmation of pregnancy by a registered medical practitioner recognised by the Board,
- (ii) minimum of 24 months contribution since joining the Scheme.
- (iii) any other condition as the Board may, by regulations, prescribe
- (iv) for a maximum of four pregnancies.

(4) **Contingency: Invalidity (Permanent Disability)**

(a) *Coverage:*

- (i) Formal sector employees
- (ii) Informal sector employees,
- (iii) Self-employed persons,

Benefits:

Payment of an amount equivalent to a minimum of 50 per cent of the average of six months contributions.

Duration: This shall be payable for the period of invalidity or until old age benefit, if applicable, becomes payable.

(b) *Eligibility:*

Eligibility to the payment of benefit under this contingency shall be subject to:

- (i) confirmation of illness by a duly authorised Medical Practitioner recognised by the Board,
- (ii) minimum of 24 months contribution since joining the Scheme.
- (iii) any other condition as the Board may, by regulations, prescribe.

(5) **Contingency: Old Age**

(a) *Coverage:*

- (i) Formal sector employees

- (ii) Informal sector employees,
- (iii) Self-employed persons,

Benefits:

- (i) Payment of a lump sum as old age supplement comprising the total balance of the contribution, accrued income with respect to all contingency and any unclaimed bonuses where applicable.
- (ii) old age subsistence allowance equivalent to 80% of the National Minimum Wage payable till death for those who have exhausted their benefits and not covered by the Pension Reform Act.

(e) *Eligibility:*

Eligibility to the payment of benefit under this contingency shall be subject to attaining the age of 55 years and above or retiring from regular employment, whichever is later,

(6) **Contingency: Death of Contributor**

(a) *Coverage:*

- (i) Formal sector employees
- (ii) Informal sector employees,
- (iii) Self-employed persons,

Benefits:

Payment of a lump sum as survivor's grant, consisting of the deceased member's total balance of contribution including accrued income and unclaimed bonuses with respect to all contingencies.

(f) *Eligibility:*

Eligibility to the payment of benefit under this contingency shall be subject to:

- (i) death certificate issued by a registered medical practitioner recognised by the Board;
- (i) any other condition as the Board may, by regulations, prescribe.

PART B: INCENTIVES

(1) Incentive: Early Withdrawal

(a) Coverage:

- (i) Formal sector employees
- (ii) Informal sector employees,
- (iii) Self-employed persons,

(b) Benefits:

Payment of a maximum of 80 *per cent* of the benefit payable as old age supplement subject to the age-related eligibility conditions

(c) Eligibility:

Eligibility to the payment of benefit under this contingency shall be subject to:

- (i) where the terms and conditions of employment prescribes retirement age of 56 years or above, withdrawal from the scheme upon attaining the age of 50 years, but below the prescribed age of retirement,
- (ii) minimum of 120 months of contribution since joining the Scheme, and
- (iii) any other condition as the Board may, by regulations, prescribe.

(2) Incentive: Enterprise Promotion

(a) Coverage:

- (i) Formal sector employees,
- (ii) Informal sector employees,
- (iii) Self-employed persons,

(c) *Benefits:*

(i) Grant of small-scale short-term enterprise development loan assistance with administrative charges as approved by the Board, from time to time,

(ii) Maximum Loan that may be granted under (i) shall not exceed 60 per cent of the balance of contributors individual account under the Scheme.

(d) *Eligibility:*

Eligibility to the payment of benefit under this contingency shall be subject to:

(i) being a contributor to a minimum of three contingencies under the Scheme specified in section 22(2) of this Act,

(ii) minimum of 36 months of contribution since joining the Scheme including at least 6 months during the preceding 12 months of application for the loan,

(iii) credit balance on the borrower's individual account under the Scheme shall serve as collateral for the loan.

(iv) any other condition as the Board may, by regulations, prescribe

(3) **Incentive: Capacity Building**

(a) *Coverage:*

(i) Formal sector employees,

(ii) Informal sector employees,

(iii) Self-employed persons,

(b) *Benefits:*

Grant or subsidy for participation in relevant activities organised or sponsored by the Scheme as may be approved by the Board, from time to time..

(c) *Eligibility:*

Eligibility to the payment of benefit under this contingency shall be subject to:

- (i) minimum of 36 months of contribution since joining the Scheme, including at least 6 months during the period of 12 months preceding the application.
- (ii) minimum of 24 months contribution since the immediate previous enjoyment of this benefit and
- (iii) any other condition as the Board may, by regulations, prescribe

(4) **Incentive: No Claim Bonus**

(a) *Coverage:*

- (i) Formal sector employees
- (ii) Informal sector employees,
- (iii) Self-employed persons.

(c) *Benefits:*

(i) Payment of 10 *per cent* of the credit balance on the bonus winner's individual account under the Scheme at the point of the assessment.

(ii) The bonus specified under (i) shall be payable into the old age supplement component of the individual contributor's account.

(d) *Eligibility:*

Eligibility to the payment of this incentive shall be subject to:

- (i) minimum of 60 months of contribution since joining the Scheme or since the last award, and
- (ii) every contributing member shall be assessed by the Board for this bonus every 5 years and
- (iii) any other condition as the Board may, by regulations, prescribe

(5) Incentive: Savings Window (Additional Voluntary Contributions)

(a) Coverage:

- (i) Formal sector employees,
- (ii) Informal sector employees,
- (iii) Self-employed persons,

(e) Benefits:

- (i) Access to the Savings-Focussed component of the individual account periodically as the Board may, by regulations, prescribe.
- (ii) the savings shall be specifically targeted for meeting the expenses associated with one or a combination of the following:
 - (a) Marriage.
 - (b) Payment of school fees.
 - (c) Provision of housing
 - (d) Funeral ceremonies
 - (e) Others as may be specified by the Board.
- (iii) the accounts shall attract an interest at a rate not below the Treasury Bill rate obtainable at any time.

(c) Eligibility

Eligibility to the payment of benefit under this contingency shall be subject to:

- (i) contributions under the savings window in any amount as the contributor may elect,
- (ii) the occurrence of any of the event(s) for which savings was targeted for.
- (iii) and any other condition as the Board may, by regulations, prescribe.

(6) Incentive: Scholarship Awards

(a) Coverage:

- (i) Formal sector employees
- (ii) Informal sector employees,
- (iii) Self-employed persons,

Benefits:

There shall be annual award of Scholarship to children/wards of the contributors for Senior Secondary School level only. The amount payable and the number of wards shall be determined by the Board.

(b) *Eligibility:*

Eligibility to the payment of benefit under this contingency shall be subject to:

- (i) a minimum of 36 months' contribution since joining the Scheme, including at least 6 months, during the preceding 12 months,
- (ii) competitive selection examination for the children/wards of contributors,
- (iii) firm proof of parenthood or guardianship and
- (iv) any other condition as the Board may, by regulations, prescribe.

EXPLANATORY MEMORANDUM

The Bill seeks to repeal the Nigeria Social Insurance Trust Fund Act 1993, and establish the Comprehensive Poverty Avoidance Social Security Management Board to manage the social security scheme in Nigeria.