Minimum Wage and Pension Payment Compliance in Nigeria



A Report by ActionAid Nigeria and Nigeria Labour Congress

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WRITER/DATA ANALYST

Terfa W. Abraham, PhD

EDITORS

Comrade Benson Upah | Deputy General Secretary/Head of Information, Nigeria Labour Congress

Comrade Eustace Imoyera James | Senior Assistant General Secretary, Research Department, Nigeria Labour Congress

Ebaide Paulette Eigbedion | Programme Advisor, ActionAid Nigeria

Oluwakemi Akinremise | Stories and Content Gathering Specialist, ActionAid UK

Nkechi Ilochi-Kanny | Director Business Development and Innovation, ActionAid Nigeria

CHIEF EDITOR

Andrew Mamedu, PhD | Country Director, ActionAid Nigeria

ACKNOWLEDGEMENT

Ugochukwu Onuoha | Amina Adamu Aliyu | Celestine Odo

GRAPHIC DESIGN

Emmanuel Irem | Ugochukwu Onuoha

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Plot 477, 41 Crescent, Off Sa'adu Zungur Avenue, Gwarinpa, Abuja, Nigeria

P.M.B. 1890, Garki, Abuja, Nigeria

info.nigeria@actionaid.org | www.nigeria.actionaid.org

+234 (0) 812 888 8825-7

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Acronyms & Abbreviations

AAN	ActionAid Nigeria
CDBS	Contributory Defined Benefit Scheme
CDC	Collective Defined Contribution
CPFAs	Closed Pension Fund Administrators
CPS	Contributory Pension Scheme
DB	Defined Benefits (DB)
DBS	Defined Benefit Scheme
EE	Employee
ER	Employer
FAAC	Federation Accounts Allocation Committee
ILO	International Labour Organization
LGA	Local Government Area
NBS	National Bureau of Statistics
NLC	Nigeria Labour Congress
NUT	Nigeria Union of Teachers
PAYG	Pay-As-You-Go
PenCom	National Pension Commission
PFA	Pension Fund Administrator
PFCs	Pension Fund Custodians
PRA	Pension Reform Act
PW	Programmed Withdrawal
RSA	Retirement Savings Account
TSS	Teacher Salary Scale

NAVIGATION

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What the evidence says

A visual summary of the report's headline findings on wage implementation, pension governance, compliance and advocacy priorities.

₦70,000
National minimum wage enacted in 2024

+133%
Increase from ₦30,000

~100 / <67 / 48%
Federal / state / local minimum-wage compliance signals

₦626.8bn
States' pension and gratuity arrears referenced in the report

47 / 53%
Average public / private pension contribution trend

38 / 62%
Female / male new RSA registrations, 2025 Q3

Whereas several efforts have been recorded through painstaking negotiations driven by the Nigeria Labour Congress and the federal government with regard to improving minimum wage and ensuring a functional pension governance structure in Nigeria, potential gaps remain. Although President Bola Ahmed Tinubu signed a new **Minimum Wage Act that raised the minimum wage by 133% from N30,000 to N70,000,** when matched with macroeconomic realities, the purchasing power of the N70,000 minimum wage falls flat. On the other hand, even though the Federal Government has ramped up efforts to address legacy pension debt, implementation of the Pension Reform Act 2014 at the state and local government levels, as well as the private sector, remains weak. It appears, therefore, that the Nigerian workers, while in service and upon retirement, are faced with a double-edged crisis of weak purchasing power, wages and poor access to retirement benefits.

This report examines minimum wage compliance at federal, states and the Federal Capital Territory (FCT). It also examines the compliance levels and fiscal gaps associated with pension arrears vis-à-vis the allocation in Nigeria. Historical wage and pension levels were also compared with recent efforts to highlight issues for engagement and advocacy for a better wage and pension compliance in Nigeria. Adopting a hybrid of key informant interview, desk review of secondary reports and human stories, the findings found the following:

I. Historical and Current Wage and Pension

i. Comparison of Historical, Current Wage and Pension Practices shows improvement with the timeline it takes to review minimum wage in Nigeria as the 2024 Minimum wage Act reduces the review period from five years to three years.

ii. Unlike in 2019 when the minimum wage was increased by **67% from N18,000 to N30,000,** the minimum wage in 2024 was increased by 133%. While this is commendable, average **inflation in 2019 was 17.75% compared to**

33.24% in 2024. Likewise, the Naira exchange rate to the USD in 2019 was N410.11/$1 compared to **N1,479/$1 in 2024.**

iii. While the nation has transited from the **old Defined Benefits (DB)** Scheme under a **Pay-As-You-Go (PAYG) model,** and has repealed the Pension Reform Act 2004 by enacting the Pension Reforms Act 2014 that introduced the Contributory Pension Scheme, pension arrears in Nigeria today is still explained by liability from the old pension scheme, thereby having a drag effect on current pension assets.

II. Compliance with the New Minimum Wage and Contributory Pension Scheme

i. For compliance with the new minimum wage, evidence shows that while most states are now able to pay salaries, not all have fully complied with the new minimum wage. Whereas states like **Lagos, Delta, Ebonyi, Edo, Gombe, Enugu, Kogi, Niger, Imo, Kano, Kebbi, Kaduna, Ogun, Osun,** and **Rivers,** have fully complied and exceeded the **N70,000 minimum wage.** Other states like **Yobe** and **Zamfara** have been unable to fully enforce compliance across local governments especially for schools. Even in states where compliance is recorded, discrepancies exist at the level of private sector jobs and at local governments. Evidence of partial compliance with the minimum wage is also found in Ondo, Imo, Bauchi, Edo and Kano.

ii. Al though states have experienced increased inflow of **FAAC revenue,** major factors identified for the absence of full-scale compliance with minimum wage across the states, local government and federal agencies were identified as low political will by the governments.

iii. **The PRA 2024** repealed the **Pension Reform Act (2004)** and established a **Contributory Pension Scheme (CPS)** for both public and private sector employees. Despite this provision, assessment of compliance at state and federal level shows below-expected commitment to workers' social security upon retirement.. - A critical reason is that while respondents affirmed pension coverage at the federal level, it is lower at the state and local government levels.

iv. While compliance with **PRA 2014** is fully operational in the public sector, compliance by the organised private sector falls short by **20%** and by **70%** in private schools. Furthermore, data from PenCom shows that as at **2025 Q3,** females accounted for **38%** of total **new RSA registrations,** while males accounted for **62%.**

v. The trend of public sector contribution to pensions from **2014** to **2025 Q3** shows that it averaged **47%** over the reference period compared to private sector contribution, which averaged 53%.

vi. Whereas the 36 states of federation and the **FCT** received about **N5.38 trillion** in the 2024 fiscal year compared with pension and gratuity arrears amounting to **N626.8 billion,** many of these states could not offset their pension and gratuity liabilities.

vii. Interestingly, even states reported to have full compliance with the **CPS** were also caught in the web, particularly **Edo** and **Kaduna,** which have a pension and liability arrears that are less than **N150 billion.** Although compliance with a contributory pension scheme does not mean states will not have pension arrears liability, the increase of inflow to states under the present administration implies that states could prioritise clearing the pension arrears backlog and at the same time ensure full compliance with the contributory pension scheme.

viii. The **National Pension Commission** lists **12 criteria** for assessing compliance with the **Contributory Pension Scheme.** However, eight of these criteria are used to assess if a state is fully implementing the CPS **according to the Pension Reform Act 2014.** States such as **Lagos, Osun, Edo, Kaduna,** and the **FCT** met the first eight criteria and were rated as fully implementing the CPS. On the other hand, Ondo State met conditions i-iii and vii & viii to be classified as fully implementing the CPS.

ix. The baseline data from **PenCom** shows that **seven (7) states have fully implemented the CPS,** One is substantially implementing the scheme, three are partially implementing the CPS, three have extended transition periods, while seven states are on the bills stage.

x. Using the criteria for assessing the compliance of these states, the **KII** was conducted to provide context with CPS compliance in the 36 states and the FCT. The assessment shows that **more states than previously assumed are still in a situation where retirees may not easily access their retirement savings,** thus calling for further **engagement and advocacy.**

xi. The situation where states with **CPS legislation** are still not complying with the contributory pension scheme calls for continued scrutiny and review of the **Pension Reform Act (PRA) 2014** to identify aspects through which benefits from the alternative models of pension schemes can be harnessed.

III. Conclusion and Issues for Advocacy

Data from secondary sources and key informant interviews show that challenges such as low pension coverage funding shortfalls, and mismanagement of pension funds are some of the factors constraining pension payments across states in Nigeria.

Whereas compliance with the minimum wage Act at the federal level is nearly 100%, it is below 67% for states and 48% for local governments. The major challenges responsible for the varying level of compliance with minimum wage at the state and local government level include poor commitment of states to prioritise public resources in that direction, inflation, and harsh effects of economic reforms which have constrained compensatory spending by state governments despite an increase in FAAC allocation. The report recommends the following issues for advocacy and engagement:

i. While most states have extended the payment of the new minimum wage to all categories of workers, including local government employees and primary school teachers in the new salary scheme, **Borno, Kaduna, Nasarawa, Yobe,** and **Zamfara** states have yet to do so.

ii. At the state and local government levels, while the same challenges were identified, the mismatch of employee data and pension backlog were the critical challenges identified. Funding shortfalls top the list for workers/retirees at the local government level.

iii. The operationalisation of local government autonomy and financial autonomy would be the overarching issues to address to improve pension payments at this tier of government.

iv. There is also a need to **strengthen engagement and advocacy** in states still operating on the **CDBS** to ensure that they transition to the **CPS as provided for in the PRA, 2014.** Examples of these states include **Jigawa, Kano, Adamawa, Gombe,** and **Zamfara.**

v. Stakeholders should also strengthen engagement to ensure that their pension policies and schemes are fully anchored on the **PRA, 2014.**

vi. While states such as **Plateau, Cross Rivers, Borno, Akwa Ibom, Katsina, Yobe,** and **Kwara** were documented based on the PenCom report in 2023, there is a need for institutional support for PenCom to update their reports and build capacity for their personnel.

vii. Evidence also showed that even in states where legislation has been passed, institutional support to conduct actuarial valuation remains critical.

viii. Advocacy is required to ensure that states that have enacted laws on CPS but still remit only employee (EE) pension contributions discontinue this practice.

ix. While the evidence shows efforts by state governments, **the question of why pension arrears remain high and compliance with minimum wage remains weak amidst increasing revenue to states** and the **FCT** is one that needs to be addressed. A way to do this is to enforce compliance with the **CPS** in the private sector and ensure that states achieve full compliance with the CPS.



SECTION 01

Introduction

About a year after assuming office as President and commander in chief of the Federal Republic of Nigeria, **President Bola Ahmed Tinubu** signed **a new Minimum Wage Act** that raised the minimum wage by **133%** from **N30,000** to **N70,000.** While the pay rise was expected to enhance the living standards of Nigerians, evidence has been to the contrary, as poverty continues to rise. The increase in the general price level and declining value of the naira also had implications for pension savings as the value of pension deductions from Nigerian workers' salaries declined, thus creating a situation that was guaranteed to make workers poorer when they accessed the future value of their pension savings.

Although the value of the Naira declined and its purchasing power weakened from **2023 to 2025,** federation revenues rose from **N16.8 trillion** in **2023** to **N35 trillion** in **2025**. Sadly, the increase in minimum wage meant to ameliorate the effect of the rising cost of living was further confronted by weakening purchasing power amidst exposure of the Nigerian economy to conflict in Europe and in the Middle East. Even though **Federation Accounts Allocation Committee (FAAC)** allocation to states maintained an upward trend, state governments still lagged in clearing pension arrears. Thus, it appears that the workers, while on active duty and upon retirement, **are faced with a double-edged crisis of weak purchasing power and poor retirement benefits.**

With the **commitment of the government to enhancing the living conditions of Nigerian workers,** effective stakeholder engagement is therefore critical to providing insights that would drive reforms, inform engagement, and advocacy with regard to minimum wage and pension administration in Nigeria.

1.1 | Objectives

This report examines the minimum wage compliance at the federal level, the FCT and across the 36 states of the Federation to determine compliance levels with respect to minimum wage and contributory pension scheme.

It also compares historical wage and pension levels with current practices as well as analyses pension payment data to highlight issues for engagement and advocacy with relevant authorities and stakeholders.

1.2 | Methodology

The report adopts key informant interview, desk review and human stories account to analyse the qualitative data collected from respondents.

1.2.1 | Method of Data Analysis

There are various methods for conducting investigative reports. But key informant interviews stand out because they provide exclusive insights from individuals with extensive knowledge or experience in a specific area **(Kibuacha, 2024).** They involve having conversations with experts to obtain first-hand knowledge and expert opinion on the subject matter under investigation. **According to Macfarian (2025),** key informant interviews are qualitative, in-depth interviews of 15 to 35 people selected for their firsthand knowledge about a topic of interest. Despite this advantage, **Kumar (1989)** argued that **a key informant's interview is associated with shortcomings such as poor selection of key informants to interview and the challenge of arriving at findings that may vary from actual data.**

To overcome such challenges, **Andoh et al. (2023)** combined key informant interviews with a desk review on the questions interrogated. Their study demonstrates advantages of combining both methods of qualitative data that allow for cross-validation of findings. Other studies **(e.g., Kibuacha, 2024; Kilroy & Fincham, 2023;** and **Ann-Murray Brown Consulting, 2021)** also show that while desk reviews provide breadth and historical context, KIIs offer in-depth, expert, and nuanced information, leading to a comprehensive understanding, thus blending context with insight. **ActionAid Nigeria's (2023)** report on trends in public sector wage bills in Nigeria and impact on national development also combined the use of KII and desk reviews. Drawing from these studies, therefore, **this report adopts the use of KII and desk reviews for data collection.** While focus group interviews could also have been used, it was discovered from the early stage of the study that they do not work for investigative findings, as respondents are restricted from detailing their experience with minimum wage and pension situations, especially at the local government and in public schools.

Personal accounts were also used to highlight narratives that tell the experience of workers and retirees with regards to minimum wage and pensions. According to Williams (2023), data from citizen's personal accounts provides narratives that communicate the lived experience of respondents regarding government policy actions. Despite its advantage, cross-referencing with secondary sources is also vital to provide better perspective (Isik, 2025). Despite its advantage as a method of narrative data, personal account stories are also associated with the dangers of a single story (Adichie, 2009). To mitigate this bias, studies recommend the need to cross-reference respondent narratives with documented evidence from secondary studies.





1.2.2 | Ethical Considerations

Ethical considerations were applied to the data by ensuring that the **names of the respondents were not included.** Also, **data protection and integrity were built into the ethical consideration** by ensuring that all human story data collected were cross referenced with secondary reports. **The consent of the respondents was also sought before the key informant interview** and human story focused interview were conducted and documented.

1.2.2 | Sources of Data

The report relies on mixed sources of **data collection that relies on primary and secondary sources.** Secondary data are collected from the **National Pension Commission (PenCom),** the **National Bureau of Statistics,** the **World Bank Development Indicators,** and the **Central Bank of Nigeria,** while the primary data were collected from targeted respondents through key informant interviews.

The report reviews secondary documents such as legal and policy documents on minimum wage and pensions in Nigeria and also undertakes field data collection, using **interviews with government employees, retirees,** and **labour representatives.** Working with investigative journalists that utilise labour and trade union state-level networks, it also conducted interviews in selected states and local governments to determine compliance levels with minimum wage and pension payment.

1.2.4 | Population Clusters and Sampling Target

The sampling and interview structure used for the study relied on structure determined in the **ActionAid Nigeria (2023) report,** where discussions were held with the **Nigeria Labour Congress (NLC)** to determine clusters to interview. As such, the clusters interviewed were organised around the following sectors: health, education, agriculture, women's affairs, civil service, and other sectors.

The choice of the associations and unions was aimed at maximising the limited resources available for the study. As a result, purposive sampling was used to interview civil servants and retirees organised within these unions across the federation and the FCT.

The use of an investigative journalist for the data collection and interview also ensured confidentiality and compliance with ethical considerations. **The Focus Group Discussion (FGD)** was conducted for employees and retirees organised in the following unions/associations: The **Nigeria Union of Local Government Employees (NULGE)**, **Nigeria Union of Teachers (NUT)**, the **Amalgamated Union of Public Corporation Civil Service Technical and Recreational Services Employees (AUPCTRE)**, **Nigeria Civil Service Union (NCSU)**, **Medical and Health Workers Union of Nigeria (MHWUN)**, and the **National Association of Nigeria Nurses and Midwives (NANNM)**. This mapping followed AAN sector mapping for the study on the public wage bill 2023.

Therefore, drawing from **Macfarian (2025), Kibuacha (2024), AAN (2023), and Andoh et al. (2023)** with adjustments to accommodate interview with key informants spread across the 36 states of the federation and the FCT, as well as LGAs and the key public schools in Nigeria, the following population clusters identified in AAN (2023) were adopted. These were further adapted to align with the upper limit of 35 **proposed by Macfarian (2025)** and adjusted using a 10% critical value. Thus, resulting in a final sample size of 39[1].

Table 1: Sector Mapping of Unions for Key Informant Interview

Sectors	Trade Unions/ Association	Unions Selected
Civil Service	Nigeria Civil Service Union Amalgamated Union of Public Corporations and Civil Service Technical and Recreational Services Employees (AUPCTRE) Nigeria Union of Public Service Reportorial, Secretarial, Data Processors and Allied Workers JUSUN, and PASAN	Nigeria Civil Service Union (NSCU)
Health	National Association of Nigerian Nurses and Midwives (NANNM) Medical and Health Workers Union of Nigeria (MHWUN) Herbal Medicine Employers Association	National Association of Nigerian Nurses and Midwives (NANNM)
Agriculture	NUAAE - National Union of Agriculture and Allied Workers AUFDCN – Amalgamated Union of Foodstuff and Cattle Dealers of Nigeria	National Union of Agricultural and Allied Workers
Education	ASUU – Academic Staff Union of Universities ASUP - Academic Staff Union of Polytechnic NUT – Nigeria Union of Teachers SANIP – Senior Staff Association of Nigeria Polytechnics (SSANIP) COESU Private Tutors	NUT – Nigeria Union of Teachers
Pension Sector	State Civil Pensioners/ Nigeria Union of Pensioners (NUP) Local Government Pension Board Concerned Pensioners' Union National Pension Commission (PenCom) Pension Fund Administrators (PFAs) Pension Fund Custodians (PFCs) Pension Transitional Arrangement Directorate (PTAD) Closed Pension Fund Administrators (CPFAs) Nigeria Labour Congress (NLC) & Trade Union Congress (TUC) Nigeria Union of Pensioners (NUP) Federal Parastatals and Private Sector Pensioners Association of Nigeria (FEPPPAN) Academics/ Researchers	Nigeria Union of Pensioners (NUP) Local Government Pension Board Pension Fund Custodians (PFCs) National Pension Commission (PenCom) PITAD Academics/ Researchers NLC & TUC
Others	National Union of Electricity Employees (NUEE) National Union of Textile Garments and Tailoring Workers National Union of Food, Beverages and Tobacco Employees The Nigeria Union of Local Government Employees (NULGE)	The Nigeria Union of Local Government Employees (NULGE)

Source: Adapted and modified from AAN (2023)

[1]*Macfarian (2025) 35 upper limit + 10% Critical Value adjustment*
35 + 0.1(35)
35 + 3.5 = 39

Table 2: KII Sampling Target

Target	States/FCT	Local Government	Primary Schools	Total
Target	15	21	8	44
Actual	14	19	6	39

> Note: the respondents are staff of the civil service, local government officials, and members of teacher unions across key institutions with spread and members from the 36 states, the FCT, and all LGAs.

Table 3: Density of Respondents by Clusters and Sampled Respondents

	Total Membership of Respondent Clusters	Respondents Interviewed		
Population/ Sample Clusters	Estimated Members	Total	Male	Female
NCSU	>200,000	3	2	1
NULGE	> 11,000	2	1	1
NUT (FCT)	>20,000	5	1	4
NANNM	> 25,000	4	1	3
FEPPPAN	>844,000	2	1	1
State Civil Pensioners/ Nigeria Union of Pensioners (NUP)		3	2	1
National, State and LGA Pensions Body • National Pension Commission (PenCom) • FCT PITAD • Bureau for State Pensions: • Lagos State Pension Commission (LASPEC) • Kaduna State Pension Bureau • Niger State Pension Board • Delta State Pension Bureau • Imo State Pensions Board • Taraba State Pension Board • Jigawa State and Local Government Contributory Pensions Scheme Board • Bureau of Local Government Pensions / Ogun State Pension Board		14	10	4
Local Government Pensions Bureau	>316,000	3	2	1
Federal Ministry/ FCTA • Federal Ministry of Labour and Productivity • FCTA	>6,000	3	2	1
Total	>1,422,000	39	22	17

Source: Estimates based on Focus Group Discussion, July 2021

While key informant interviews were conducted for 39 respondents across the target clusters, the density of the group from which the respondents were drawn shows that the respondents provided information from group clusters that have membership of over 1.42 million members. The distribution of respondents by gender shows that female respondents account for 56% while male account for 44%.

Figure 1 & 2: Respondent Distribution Overview

Fig 1. **Distribution of Respondents by Clusters**

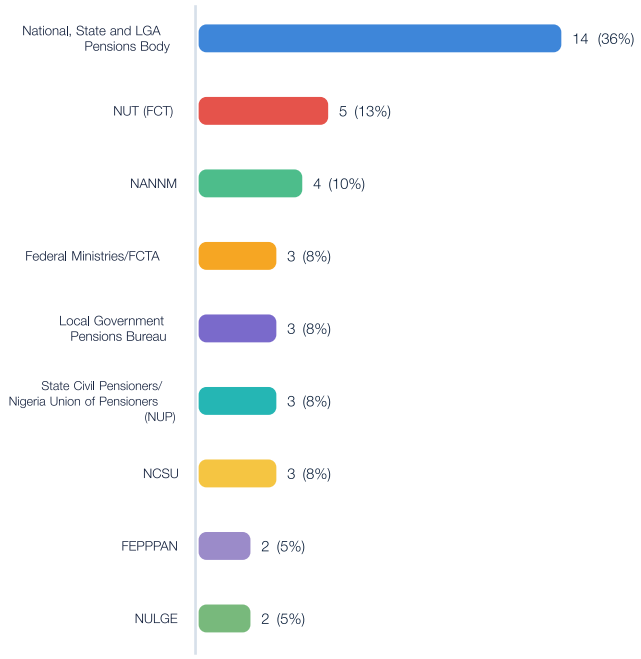
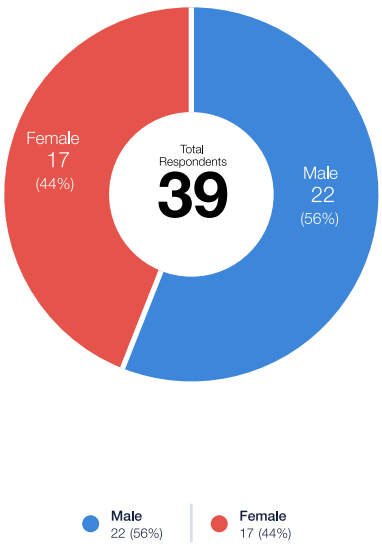


Fig 2. **Gender Distribution of Respondents by Percentage**





SECTION 02

Overview of Nominal and Real Wage in Nigeria

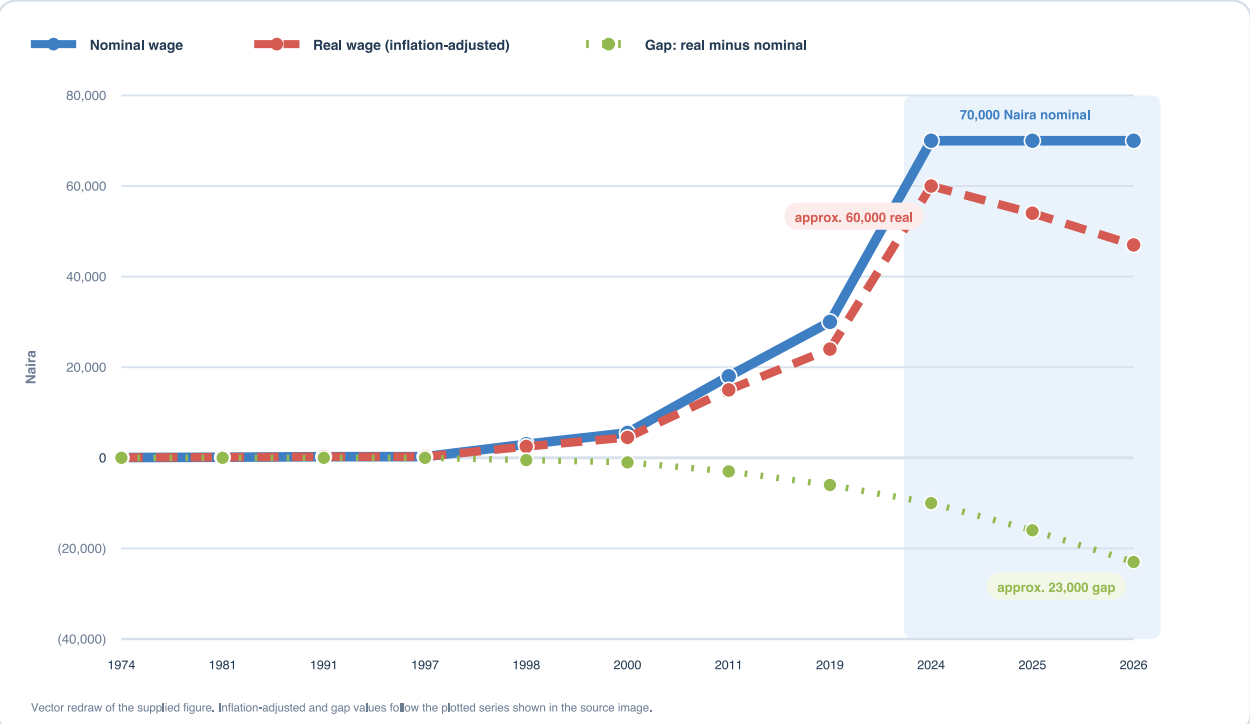
Nigeria's minimum wage over the last 10 years has been anchored on **the Minimum Wage Act** and its associated amendments. Though the minimum wage grew **from N18,000** in 2011 **to N30,000** in 2019, and to **N70,000 in 2024,** the nation's average **inflation rate increased** from **11.98% in 2011** to **33.18% in 2024.** Though average inflation declined in 2025 to 23.39% and stands at an average of 15.31%, using January to April data in 2026, the combined effect of economic reforms, accompanied by external shocks associated with the economy-wide impact of the Middle East crisis and the Russian-Ukraine crisis, has exposed the Nigerian worker to harsh living conditions.

While the trend of nominal wage shows an **increasing trend from 1974 to 2024,** adjusting the nominal wage for inflation shows that the gap between real wage and nominal wage has been widening since 1974 f**rom eight naira to 23,268 naira in 2026.** Thus, while the **increase in minimum wage** from **N30,000 in 2019** to **N70,000 in 2024** is commendable, Nigerians earning the **N70,000** minimum wage **lose an average of N23,268 from every N70,00** earned in 2026 **to inflation alone.** In other words, while tackling inflation will be a useful way to improve the value of earned wages, increasing the minimum wage to enable the Nigerian workers to survive the cost of living will be critical.

Fig 3. Minimum Wage Trend in Nigeria

Nominal minimum wage vs inflation-adjusted real wage, 1974-2026

WAGE



Vector redraw of the supplied figure. Inflation-adjusted and gap values follow the plotted series shown in the source image.

When converted to the **United States dollars (US $), the minimum wage in Nigeria has decreased from US $95.24** (i.e. N60 equivalent) **in 1974 to US$ 51.1 (N70,000) in the first half of 2026.** From the standpoint of price stability, therefore, achieving a stable inflation and exchange rates are also critical to improving the value of the naira as well as reducing the cost of living in the country.

Fig 4. Trend of Minimum Wage in Nigeria in US Dollars

Historical comparison of minimum wage values in US$, 1974-2026

USD

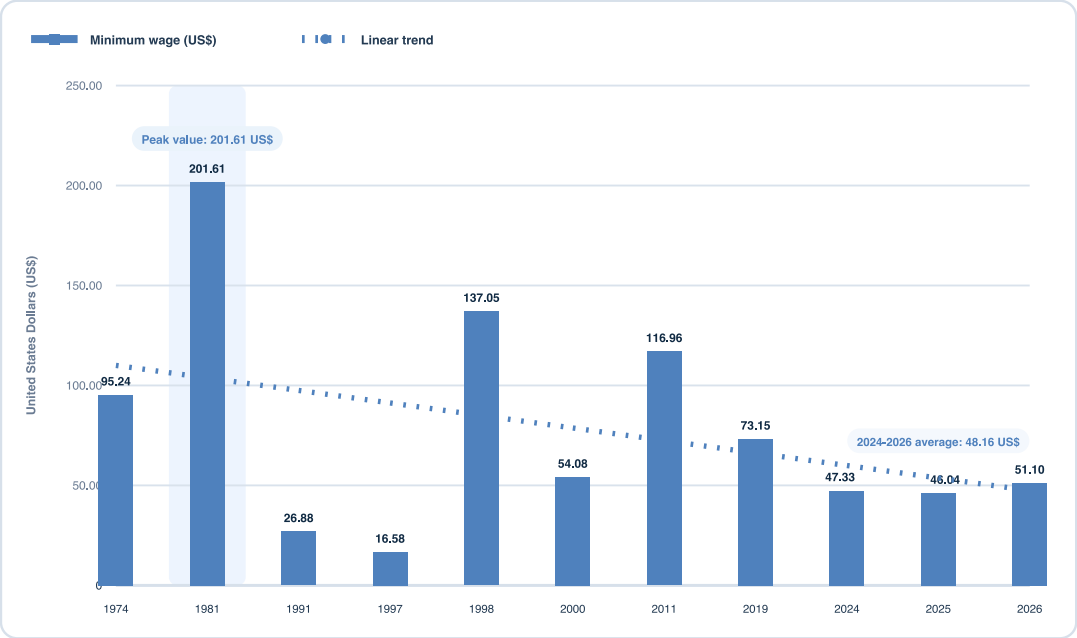


Table 4: Mapping of Minimum wage Discussions in Nigeria

Year	Issues	Decree/ Legal Framework	Amount	Inflation	Exchange Rate
1974	*Awards ranged from 12% to 30%. *Minimum wage of eq N=60 (US$100) per month. *Maximum wage of eq N=1,025 (US$1,708)	Udoji Commission (1972/1974)	N60	12.7%	0.63/$1
1981	During the civilian regime in 1981, the nation's minimum wage was fixed at N125 (one hundred and twenty-five naira) per month	The National Minimum Wage (Amendment) Order, which abridged the 1981 Minimum Wage Act by exempting persons or companies employing less than 50 workers and persons employed in agricultural projects from its provisions.	N125	20.81%	0.62/ $1
1987	The 1981 amendment was rescinded in 1987 owing to labour protests against it in major cities across the country. A national economic emergency (of 15-month duration) was declared on October 1st 1985. Premised on poor economic performance, deductions ranging from 2-15% were implemented from all incomes, including rents, dividends and the wages and salaries of workers in both the private and public sectors. The deductions, which also applied to members of the armed forces, were effected at source and paid into a Fund (Economic Recovery Fund) at the Central Bank of Nigeria. Refund of the deduction was made to junior workers at the end of the 15-month economic emergency period.				
1993	An increase of 45% was effected in public sector workers' salaries. The increase was ostensibly meant to cushion the inflationary effects of the rapidly depreciating naira (against the major international currencies like the US dollar and British pound sterling) following the deregulation of the foreign exchange market in March 1992. This resulted in the increase of minimum wage from N250 (US$11.4) per month to N363.				
1997			N363	8.53%	21.89/$1

1998	The implementation of the directive resulted in the increase of the nation's minimum monthly wage from N363 to N3000	Government Directive on Wages (1998)	N3000	10%	21.89/$1
2000	Following agitations for some increase in wage by the Nigeria Labour Congress in 2000, the Federal Government again increased the minimum monthly wage from N3,000 to N5,500.	National Minimum Wage (amendment) Act, 2000	N5,500 (for states, N7,500 (for federal)	6.93%	101.7/$1
2003	In September 2003, the Federal Government announced a regressive wage increment	National Minimum Wage (amendment) Act, 2000	12.5% increase for lowest paid workers, while those at the top were to get 4%	23.8%	129/$1
2011	In August 2010, the Federal Government fixed minimum wage of 18,000 naira which was scheduled to take effect from January 2011	National Minimum Wage (amendment) Act, 2011	N18,000	10.84%	153.9/$1
2019	Based on the Minimum Wage (Amendment) Act of 2011, the minimum wage is to be reviewed every five years (that is in 2015). It was not until labour protested that this was done in 2019.	Minimum wage Act (Amendment), 2019	N30,000	17.75%	410.11/$1
2024	Amendment to the Minimum Wage Act 2024 raised minimum wage by 133%, from N30,000 to N70,000. It also changed the period of minimum wage review from every 5 years to 3 years	Minimum wage Act (Amendment), 2024	70,000	33.24%	1479/$1
2025			70,000	23.33%	1,520.5/$1
2026 H1			70,000	15.93%	1,369.9/ $1

Source: Review of Minimum wage Acts; Alarudeen Aminu (2011); & Fapohunda, Tinuke. M; Atiku,

[2] *Aminu, Alrudeen (2011), 'Government Wage Review Policy and Public-Private Sector Wage Differential in Nigeria' African Economic research Consortium (AERC) Research Paper 223 African Economic Research Consortium, Nairobi January 2011*

SECTION 03

Compliance with the New Minimum wage

3

Following the **passage of the Minimum Wage Bill by the National Assembly on July 23, 2024,** President Bola Tinubu **signed it into law on July 29, 2024.** While the passage of the act by the Tinubu administration complied with the provision of the 2019 Minimum Wage Act to review the legislation every 5 years, compliance by states, local governments, and application to teachers shows varying results.

For compliance with the minimum wage, **evidence shows mixed results that imply poor commitment to remuneration for Nigerian workers.** While states like **Lagos, Gombe, and Kaduna have fully rolled out the new minimum wage (or even slightly higher),** the situation with workers' **remuneration for local government staff and primary school teachers raises concerns,** as commitment to ensure compliance for local government and school teachers remains weak.

Although desk review shows evidence that all states and the FCT have complied with the Minimum Wage Act, 2024, key informant interviews reveal concerns. **Reports as of April 2026 by the Nigeria Labour Congress identified the following challenges with minimum wage compliance in Nigeria,** particularly with state governments:

- Poor compliance with the 2024 National Minimum Wage Act by some states. This includes r**efusal to fully implement its key provisions such as consequential adjustments for senior workers,** r**egular and timely payment of the new wage,** as well as **extension of coverage to local government staff,** primary **school teachers,** and **health workers[1].**
- While many states and the FCT have complied with the N70,000 minimum wage and have paid arrears owed to primary school teachers, the NUT expressed concerns on issues such as the need to harmonise all outstanding entitlements of primary school teachers[2].
- In Kwara, though the state implements the N70,000 minimum wage, teachers service years is yet to be extended to 65 years from 60 years[3].
- Rising cost of living and falling purchasing power of the minimum wage.

Table 5: Implementation of New Minimum Wage

States	LGA		Schools	
	Extended to Local Government Workers	Amount	Extended to Primary school Teachers	Amount
Abia	Yes	70,000	Yes	70k
Adamawa	Yes	70,000	Not Fully/ Issues Remain	70k
Akwa Ibom	Yes	80,000	Yes	70k

[3] https://www.tvcnews.tv/may-day-nlc-plans-protests-against-states-violating-2024-minimum-wage-bill/
[4] https://punchng.com/fct-teachers-comply-as-indefinite-strike-begins-across-schools/

Anambra	Yes	70,000	Yes	70k
Bauchi	Yes	70,000	Yes	70k
Bayelsa	Yes	80,000	Yes	70k
Benue	Yes	70,000	Yes	70k
Borno	Yes/Partial in LGAs	70,000	Yes	70k
Cross Rivers	Yes	70,000	Yes	70k
Delta	Yes	79,000	Yes	77.5k
Ebonyi	Yes/Partial in LGAs	75,000	Not Fully/ Issues Remain	90k
Edo	Yes	70000-75000	Yes	75k
Ekiti	Yes	70,000	Yes	70k
Enugu	Yes	80,000	Not Fully/ Issues Remain	80k
FCT	Yes	70,000	Issues Remain	70k
Gombe	Yes/Partial in LGAs	71,451	Not Fully/ Issues Remain	71.45k
Imo	Yes	104,000	Yes	104k
Jigawa	Yes	70,000	Yes	70k or >
Kaduna	Yes	72,000	Yes	72k
Kano	Yes	71,000	Yes	71k
Katsina	Yes	70,000	Yes	70k
Kebbi	Yes	75,000	Yes	75k
Kogi	Yes	72,500	Yes	72.5k
Kwara	Yes	70,000	Yes/ Issues Remain	70k
Lagos	Yes	85,000	Yes	85k
Nasarawa	Yes/Partial in LGAs	70,500	Not Fully/ Issues Remain	70.5k
Niger	Yes	80,000	Yes	80k
Ogun	Yes	77,000	Yes	77k
Ondo	Yes	73,000	Yes	73k
Osun	Yes/Partial in LGAs	75,554.28	Yes	75.55k
Oyo	Yes	80,000	Yes	80k
Plateau	Yes/Partial in LGAs	70,000	Yes	70k
Rivers	Yes	85,000	Yes	85k
Sokoto	Yes	70,000	Yes	70k
Taraba	Yes/Partial in LGAs	70,000	Yes	70k
Yobe	Yes/Partial in LGAs	70,000	Not Fully/ Issues Remain	45k or <
Zamfara	Yes/Partial in LGAs	70,000	Not Fully/ Issues Remain	8k-30k

Nigeria's minimum wage within the last 10 years has been anchored on the Minimum Wage Act and its associated amendments. Though the minimum wage has grown from **N18,000 in 2011 to N30,000 in 2019** and to **N70,000 in 2024,** the nation's average inflation rate increased **from 11.98% in 2011 to 33.18% in 2024.** Though average inflation declined in **2025 to 23.39%** and currently stands at an average of **15.31%, using January to April data in 2026,** the combined effect of economic reforms, accompanied by external shocks associated with the economy-wide impact of the Middle East crisis and the Russian-Ukraine crisis, has exposed the Nigerian worker to harsh living conditions.

Data from the ILO show that as of 2025, **Nigeria had one of the lowest proportions of males and females in formal paid employment relative to the workforce population.** The proportion for males and females in Nigeria was also lower than the average for sub-Saharan Africa. **Despite having the lowest share of males and females in paid employment,** compliance with minimum wage and full compliance with the contributory pension scheme remains unstable.

Fig 5 & 6: Wage and Salaried Workers as Share of Total Population in Employment (2025)

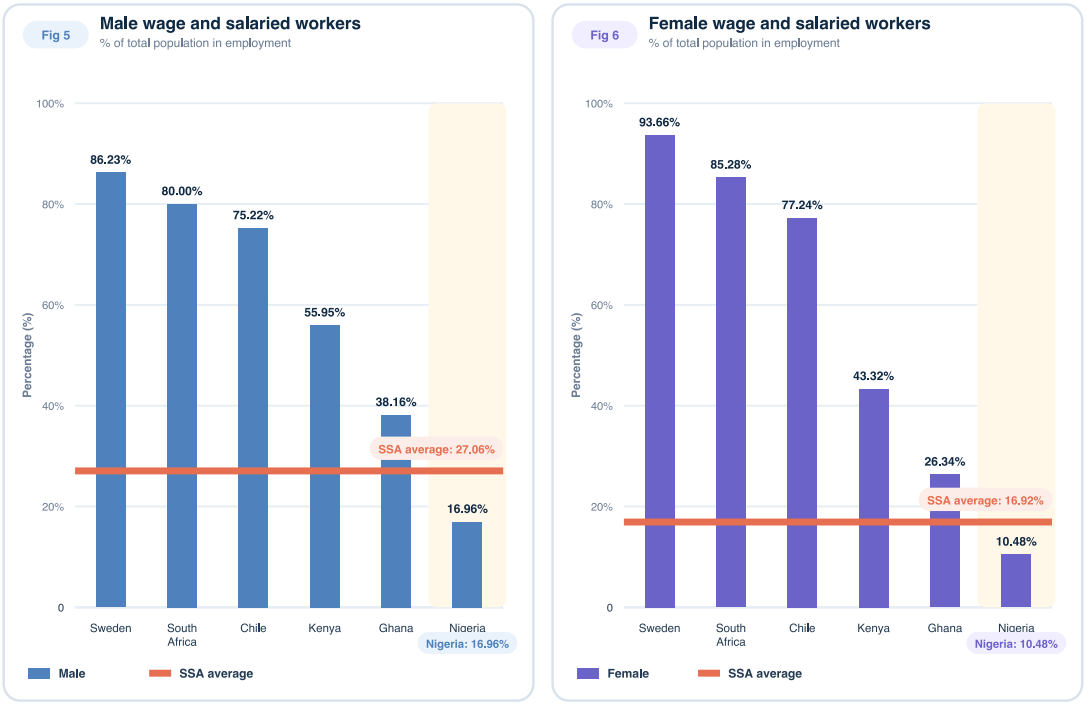
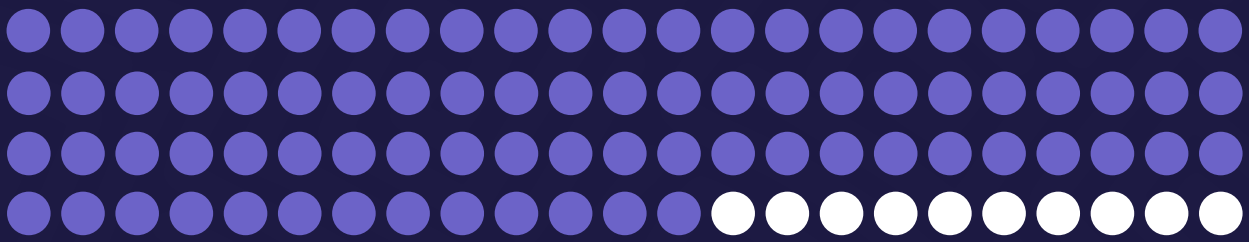


Table 6: Compliance with Minimum Wage in Selected states across the six Geopolitical Zones
The National Minimum Wage (Amendment) Act, 2024 increased the minimum wage from ₦30,000 to ₦70,000. It also reduced the time it takes to review the minimum wage from five years to three years.
South East
Enugu is consistent with implementation and its implementation is uniform across government structures. In Imo, the government approved significant salary adjustments, including ₦104,000 for fresh government workers, ₦513,000 for medical doctors, and ₦220,000 as the entry-point salary for lecturers in state-owned tertiary institutions.
South West
Lagos State has implemented a minimum wage of ₦85,000, which is above the national benchmark of ₦70,000, reflecting its strong fiscal capacity and full compliance with the Minimum wage Ondo may be classified as having partial compliance with the minimum wage for the following reasons. First the state has commenced the implementation of the new minimum wage across ministries and local government areas. However, compliance remains uneven, as some government agencies, particularly state-owned tertiary institutions, such as polytechnics, are yet to fully benefit from the new wage structure. While effort is underway to address these issues, this is the situation as of today.
South-South

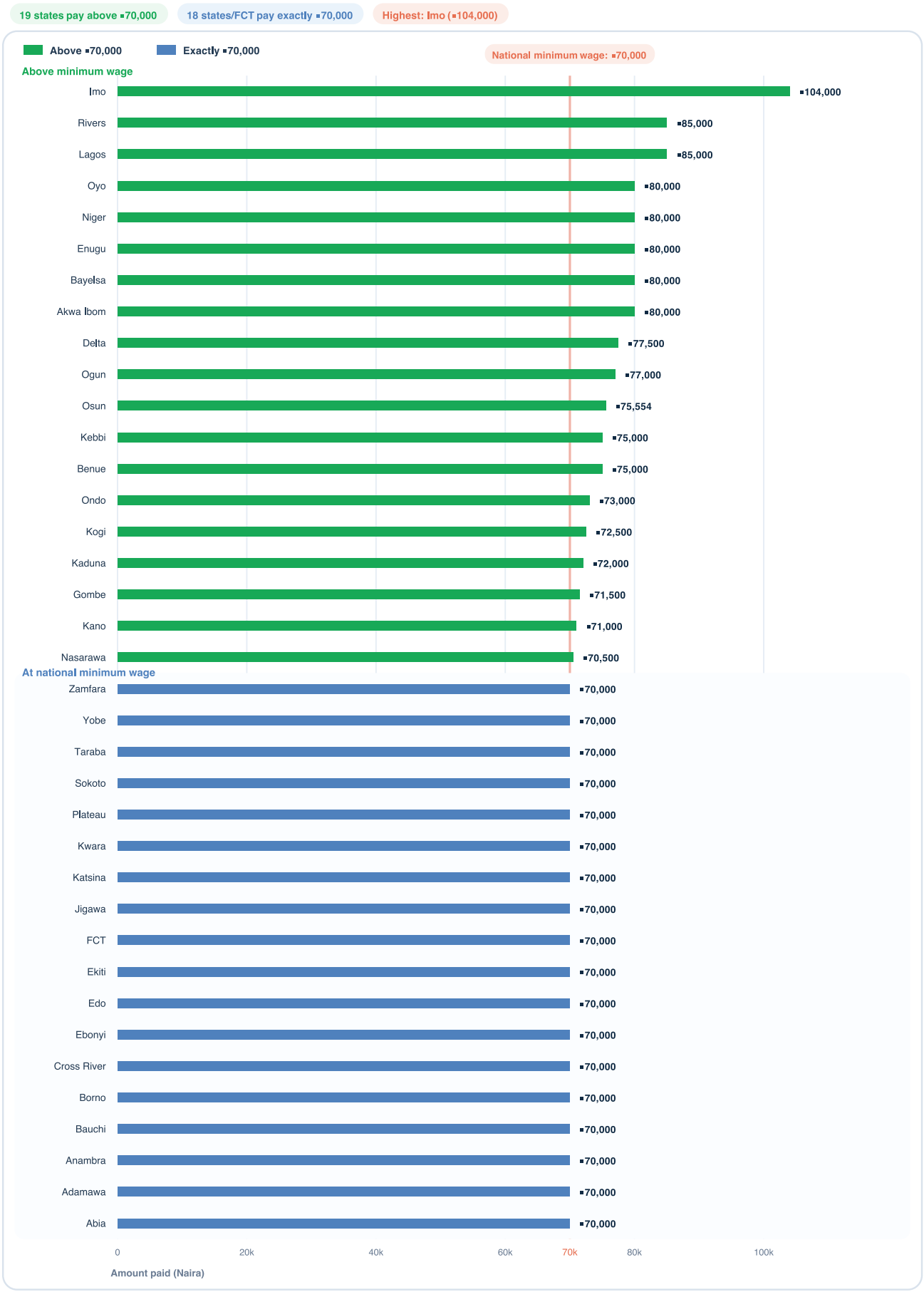
In Rivers State, the government is paying above the national minimum wage, with reports indicating an average of about ₦85,000 for civil servants. Implementation in Edo state, however, remains uneven, with clear disparities between core civil service and some agencies and tertiary institutions.
North West
Kano State is compliant and has implemented the minimum wage, with payment integrated into the civil service salary structure. At N72,000, Kaduna State pays above the N70,000 minimum wage. However, while implementation commenced for lower grade levels six and below, full sector-wide rollout, including to local government areas, is yet to be optimised.
North East
Taraba State has fully implemented the ₦70,000 minimum wage, with payments already reflected in the state payroll system. However, payment disparities across different sectors, with Local Government workers, primary school teachers, and state university staff frequently left out or subjected to old salary scales. In Bauchi State, implementation is strongest within the core civil service. The state has also resolved challenges associated with initial payment.
North Central
Kogi State implements the new minimum wage and pays above at N72,500. Nevertheless, close monitoring is required to ensure that it is effectively implemented across Local Government and schools. Furthermore, the agreement between the government and the Joint Civil Service Negotiating Council upon which this implementation was propelled should, however, be institutionalised, mainstreamed, and prevent it from becoming dependent on political will. Kwara has fully implemented the ₦70,000 minimum wageacross the public service. . However, contextual information suggests that issues such as contentious salary structures and deductions should be addressed.
FCT
The FCT complies with the N70,000 minimum wage but there is a disparity in compliance between workers in the Federal Capital Territory Administration (FCTA) and employees of the Local Area Councils.



<10%

Less than 10% of women in the workforce inNigeria have formal employment

Fig 7: N70,000 Minimum Wage in Nigeria and What States Pay as at April, 2026



While at the state level, all states have implemented the N70,000 minimum wage, challenges remain with the implementation at the LGA and, more worryingly, in primary schools. Most worrisome is that states with legal and policy commitment to pay higher than the national minimum wage have been unable to do so despite higher inflows from the Federal Account Allocation Committee (FAAC).

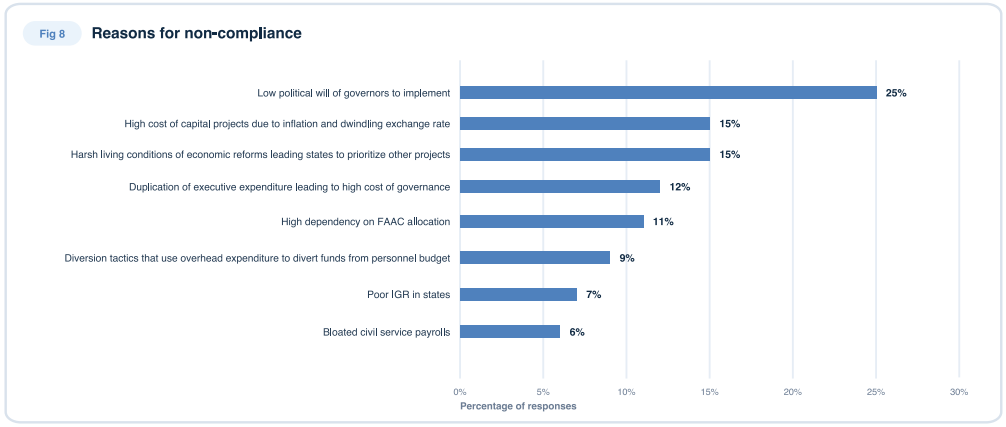
Primary data from key informant interviews identified the following reasons for poor commitment to minimum wage implementation in Nigeria:

- Low political will of governors to fully comply with minimum,
- High cost of capital projects due to inflation and dwindling exchange rates, and
- High living conditions thus leading state to prioritise other projects,

Other factors identified are presented in figures 8, 9 and 10.

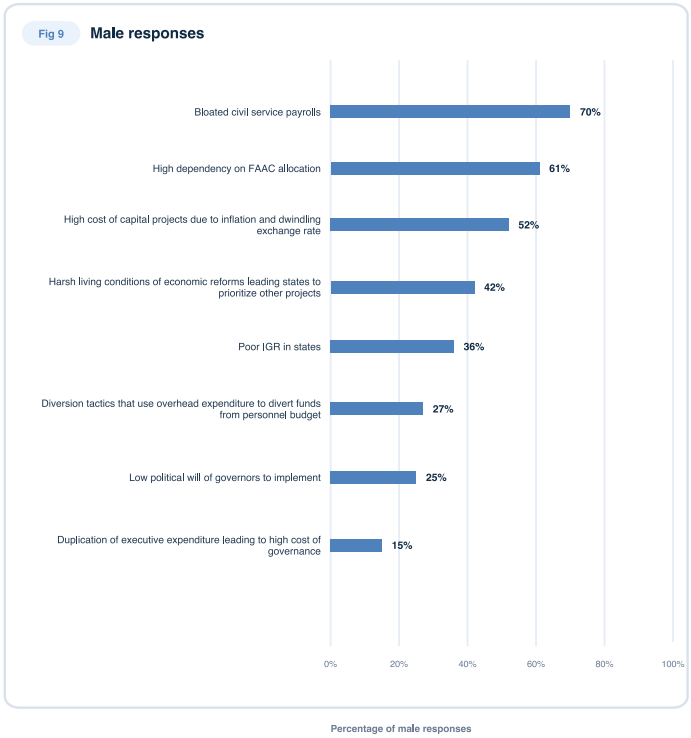
Fig 8. Why Commitment to Minimum Wage by States is not Fully Complied With

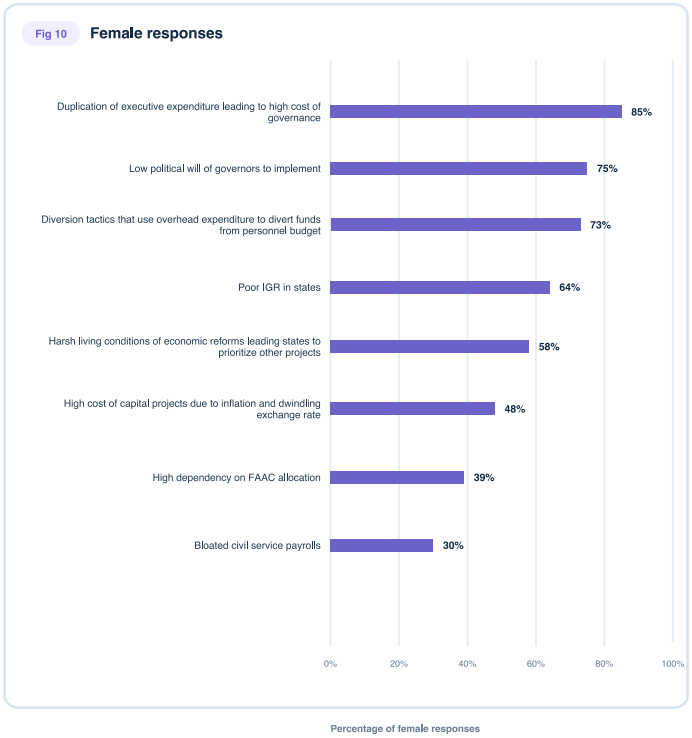
Share of responses by reason (%)



Figs 9 & 10. Gender-Disaggregated Reasons for Minimum Wage Non-Compliance

Male and female responses shown side by side (%)





SECTION 04

Overview of Pension Governance Landscape in Nigeria

The **Pension Reform Act (2014)** is the legal framework for pension administration in Nigeria today. Despite its mandatory provisions, compliance remains weak. While its innovations that include the **Contributory Pension Scheme and the Retirement Savings Account are novel,** its implementation still experiences challenges. Understanding its variation with the old pension arrangement in Nigeria would provide insight for reforms, engagement, and advocacy.

An overview of the old pension system as presented in the table traces Nigeria's transition from the unsustainable days of the **Defined Benefits (DB)** Scheme under the **Pay-As-You-Go (PAYG) model** before 2004, through the period of poorly funded backlog of pension liabilities that characterised pension governance in Nigeria from 2004 to 2013 under the Defined Benefit Scheme (DBS), and to the Contributory Pension Scheme (CPS), for the public and private sectors as provided for in the Pension Reform Act, 2014.

Table 7: Nigeria's Journey from Old to New Pension Schemes

Year	Context	Legal Framework and Operationalisation	Challenges
1960 - 2004	Primarily operated as a Defined Benefits (DB) Scheme under a Pay-As-You-Go (PAYG) model, which was largely unfunded and non-contributory for public servants. The entire burden of paying pensions and gratuities was borne solely by employers, predominantly the government. Nigeria operated the Defined Benefit Scheme (DBS), also commonly known as the Pay-As-You-Go system. While the public sector heavily relied on DBS, the private sector utilised similar corporate pension trusts or the National Provident Fund (NPF) / Nigeria Social Insurance Trust Fund (NSITF)	Pensions Act No. 102 of 1979: for public servants took retroactive effect from April 1, 1974. It consolidated over 100 previous pension enactments and incorporated the Udoji Public Service Review Commission recommendations. The National Provident Fund (NPF) Act of 1961: The first legislation to specifically address pension matters for the private sector. It operated as a basic savings scheme where both the employer and employee made small fixed monthly contributions. The Nigeria Social Insurance Trust Fund (NSITF) Decree No. 73 of 1993: Established to replace the defunct NPF, this scheme provided basic social protection against old age, invalidity, or death for employees in the private sector	Corruption and Embezzlement, lack of coverage and trust. Because pensions relied on annual government allocations, funds were often diverted or delayed, leading to the accumulation of insurmountable pension debts.

2004 - 2014	To correct the severe hardships and financial burdens caused by the DBS, the federal government enacted the Pension Reform Act in 2004, officially introducing the Contributory Pension Scheme. Today, remaining retirees under the old scheme are managed by the Pension Transitional Arrangement Directorate (PTAD).	Pension Reform Act 2004: introduced the fully-funded, privately managed Contributory Pension Scheme (CPS) and established the National Pension Commission (PenCom).	Poorly funded backlog of pension liabilities (accumulated pension debt) under the old Defined Benefit Scheme (DBS).
2014 to Date	Contributory pension scheme that is fully funded. Money is contributed into an individual employee's Retirement Savings Account (RSA) and when he/she retires, there will be money in his/her RSA to pay his pension.	Pension Reform Act 2014: repealed the 2004 Act and institutionalised the Contributory Pension Scheme (CPS) across the public and private sectors. The Contributory Pension Scheme (CPS): Requires both employers and employees to make monthly contributions into an employee's Retirement Savings Account (RSA). The law mandates a minimum total contribution of 18% of the employee's monthly emolument. This is split as follows: employer 10% and employee 8%. The CPS is mandatory for all private sector organisations with at least three employees. Deductions for pension begin with the first pay month of the worker. The law also provided a Defined Benefit Scheme (DBS) which caters exclusively to retirees who were already retired or close to retirement prior to the implementation of the CPS	Unpaid Accrued Pension Rights, state government Non-compliance, Non-remittance by private employers; political interference and the diversion of funds by state governments through the State Joint Local Government Account (SJLGA); Legacy Debt: Many local governments still struggle with the unsustainable Defined Benefit Scheme (DBS), burdened by massive, unpaid accrued rights, gratuities, and monthly pension arrears.

Source: PwC (2016), PenCom (2018), Dahir-Umar (2023), BPSR (2025), Gasiokwu & Ohoriemu (2025)

The lesson from the historic review of pension administration in Nigeria shows that continuous engagement is required to strengthen pension governance in Nigeria. Lessons from existing studies also lend credence to this. For instance, Caputo & Ordóñez (2025) analysed **the Chilean pension system and found that a collective defined contribution (CDC) scheme reallocates resources from high-to low-productivity pensioners, increases overall welfare by improving the replacement rates of low-income retirees, boosts capital stocks, and contributes to economic growth while only slightly decreasing private savings and consumption**. Evidence from Schwarz (1995) also showed that hybrid pension models are able to deliver on the core objectives of a pension scheme, which include redistribution, savings, and insurance. Although evidence from these studies can be subject to further debates, **they showed that while collectively defined contributory schemes help maximise the objectives of contributory pension schemes,** evidence also shows that hybrid pension models could also deliver on the core objectives of a pension scheme, which include redistribution, savings, and insurance.

The Nigeria Agenda 2050 is the nation's road map for accelerated, sustained, and broad-based growth. It provides broad frameworks and approaches for reducing unemployment, poverty, inequality, and human deprivation between 2021 to 2050. Structured into six phases: **2021-2025,** 2026-2030, **2031-2035,** 2036-2040, **2041-2045,** and **2046-2050,** the second phase, **2026-2030,** aligns with the Renewed Hope Agenda of President Bola Ahmed Tinubu. With

regard to minimum wage and pensions, Nigeria's Agenda 2050 holds the following context:

Although there have been reforms in the pension sub-sector that include the recapitalisation of **Non-Bank Financial Institutions (NBFIs)** and the introduction of a multi-fund structure by the **National Pension Commission to align the age and risk profile of retirement savings account holders,** pension coverage remains low. This is particularly with regard to the micro-pension plan that is targeted at the self-employed and persons working in organisations with fewer than three employees. As such, one of the objectives of the **NA 2050** is to **increase pension coverage** from **7% in 2020** to **15.2% in 2025** and to **23.3% by 2030.** This will entail increasing insurance penetration levels and pension coverage for a greater pool of long-term funds to finance capital formation.

The NA 2050 also seeks to leverage pension funds to finance critical infrastructure such as the road transport network, the aviation sector, and the Nigerian ports. For sectors such as education, the objective of the **Nigeria Agenda 2050 is to introduce a special teacher pension scheme for teachers.**

4.1 | Pension Administration at State and Local Government

Under section 55 of the PRA 2014, while a pension fund administrator is licensed to open **Retirement Savings Accounts (RSAs) for employees** and invest the accumulated pension funds, **pension fund custodians (PFCs)** are responsible for keeping safe custody of pension assets in trust on behalf of contributors.

According to PenCom, **pension funds are separated into administrators and custodians primarily to ensure checks and balances and protect contributors' money against fraud or mismanagement.** This structural division creates protection and control so that the entity managing the money (PFAs) does not have direct physical access to the actual cash or assets (PFCs). While PenCom regulates the pension governance at the federal level and for the FCT, through regulation of the PenCom and the National Council of State, states and local governments are empowered to establish a bureau for state pensions and the local government pensions bureau.

At the state level, however, the Bureau for State Pensions is responsible for pension administration, documentation, and payment processing for civil servants and political office holders, while the Local Government Pensions Bureau specifically oversees the management and payment processes for local government council retirees, primary school teachers, and Local Government Education Authority (LGEA) workers.

Enforcing Pension Governance at State and Local Governments

PenCom regulation RR/P&R/08/015 provides for the supervision of states' and local governments' pension schemes. The states and local governments in Nigeria hitherto operated the Pay-As-You-Go Defined Benefits Pension Schemes (PAYG), which were largely unfunded.

The PAYG schemes were saddled with lots of problems, such as ghost pensioners. It was not practically possible to determine, with a reasonable degree of certainty, the number of pensioners that retired under the state and local government services and those that exited from the system within any given period of time.

Section 153(1)(b) of the CFRN, 1999 (as altered), provides for a National Council of State. Its members are the president (as chairman), the vice-president (as deputy chairman), all former presidents of the Federation and former heads of government, all former chief justices of Nigeria, the president of the Senate, the speaker of the House of Representatives, all state governors, and the attorney-general of the Federation.

At its meeting of July 2006, the Council of States unanimously resolved to adopt the Contributory Pension Scheme for the States and Local Government Councils (LGCs). As a result, states were required to domesticate by passing state pension laws to facilitate effective implementation of the Contributory Pension Scheme.

Source: PenCom (2009), PwC (2016)

SECTION 05

Compliance with Pension Payments

Nigeria's pension governance framework is the Pension Reform Act (PRA), 2014. As stated in its explanatory memorandum, **the Act repeals the Pension Reform Act No. 2 of 2004** and **enacts the Pension Reform Act, 2014, to continue to govern and regulate the administration of the uniform contributory pension** scheme for both the public and private sectors in Nigeria. Specifically, Section 3(1) of the Act establishes for any employment in the Federal Republic of Nigeria a **Contributory Pension Scheme (CPS)** for payment of retirement of employees to whom the Scheme applies, that is, all workers in the public and private sectors in Nigeria.

Although the **rate of contribution to the scheme is provided for in section 4(1) as a minimum of 10% by the employer (ER)** and a minimum of **8% by the employee (EE),** section 4(2) provides that rates, upon agreement between any employer and employee, may be revised upwards from time to time, and the Commission shall be notified of such revision.

Section 11 of the PRA 2014 provides that **every employee in the public and private sector in Nigeria shall maintain a Retirement Savings Account (RSA) with any Pension Fund Administrator (PFA)** and that the employer of the employee shall be notified by the employee of the PFA chosen and the identity of the RSA. Section 17 of the Act established the National Pension Commission, and Section 18 provides for the functions of the Commission that include:

- Enforcing and administering the provisions of the Act,
- Co-ordinating and enforcing all other laws on pension and retirement benefits, and
- Regulating, supervising and ensuring the effective administration of pension matters and retirement benefits in Nigeria

Assessment of state compliance with contributory pension schemes in Nigeria reveals a mixed situation reflecting poor commitment to workers' welfare. While the Pension Reform Act (PRA) of 2014 institutionalises retirement savings and strengthens the governance process to eliminate pension arrears, pension coverage remains low, with many Nigerian workers remaining outside the protective framework that the pension scheme offers. The PRA 2024 repealed the previous Pension Reform Act of 2004 and established a Contributory Pension Scheme (CPS) for both public and private sector employees.

Table 8: Compliance with RSA by workers in Public and Private Sector

	Public Sector			Private Sector	
Questions	Federal	State	Local Government	Organised PS	Teaching
Do you have RSA	90%	60%	40%	80%	30%
Are you aware of someone without RSA	1 out of 10	4 out of 10	6 out of 10	2 out of 10	7 out of 10

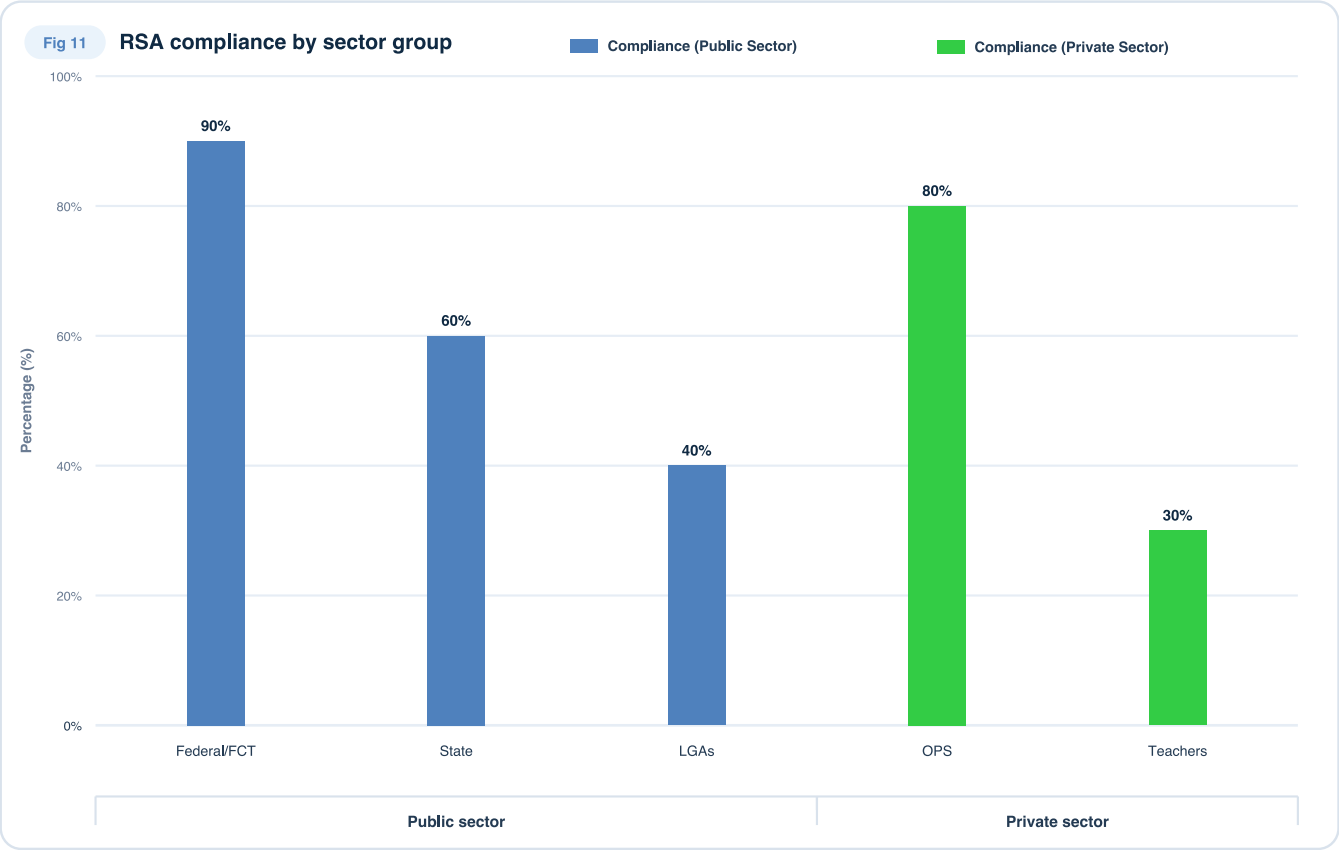
Source: Field Survey (KII)

While the Pension Reform Act 2014 and regulatory guidelines of the PenCom and the National Council of State are clear on the need to enrol all workers in the private and public sectors in the contributory pension scheme, **compliance** remains at about **90%** for federal workers, **60%** for state and **40%** for local government workers. For the private sector compliance is about **80%** and **30%** in primary and secondary schools.

With data from PenCom on RSA registration as of 2025 Q3 showing the proportion of **females at 38%** and **males at 62%,** there is need for further engagement and advocacy to enhance compliance with the provisions of the Pension Reform Act 2014 at every level of government and in the private sector.

Fig 11. Compliance with RSA by Workers in Public and Private Sectors

Percentage compliance by worker category



FAAC allocation to States and Build Up in Pension Liability

In December 2024, December 2025, and April 2026, **the FAAC allocation to states exceeded by 59.47%** what states received in the months of December 2019, 2020, 2021, 20122 and 2023. Total FAAC allocation to the 36 states in the 2024 fiscal year for the 36 states amounts to **N10.122 trillion compared to the pension liability of N626.8 billion.**

Figs 12 & 13. FAAC Allocation and State Pension Liability

Comparative view of allocations and liabilities

Fig 12 **FAAC allocation to 36 states**

Nov shared in Dec; 2026 value shown for May

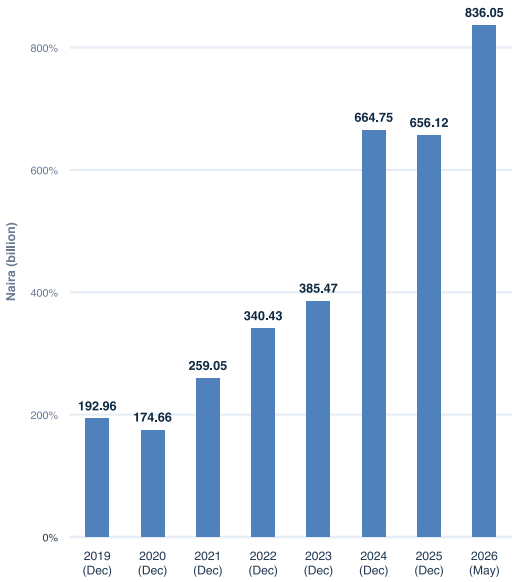
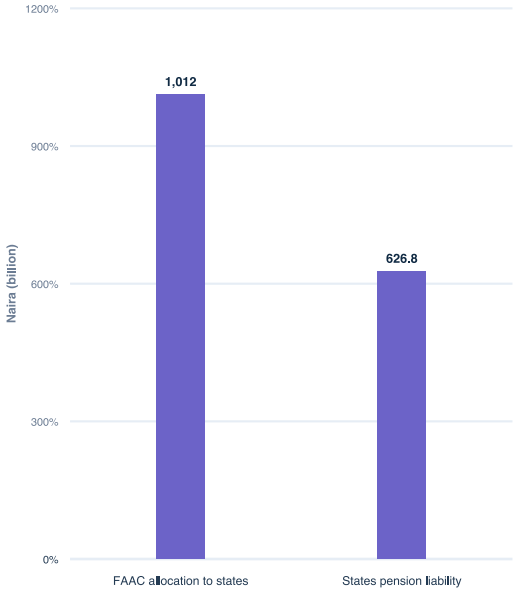


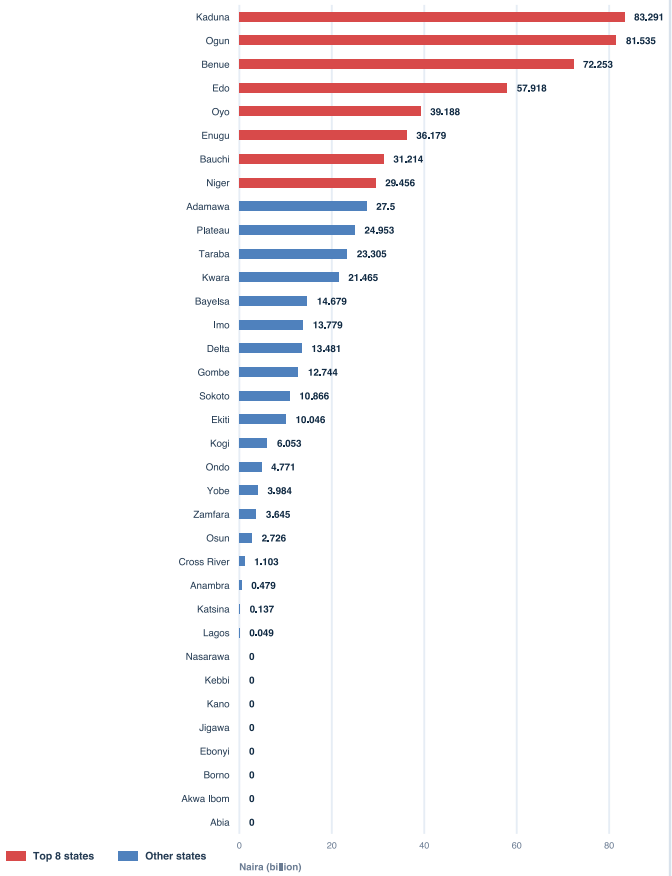
Fig 13 **FAAC allocation vs pension liability**



Figs 14 & 15. State Pension Arrears and Actual FAAC Received in 2024

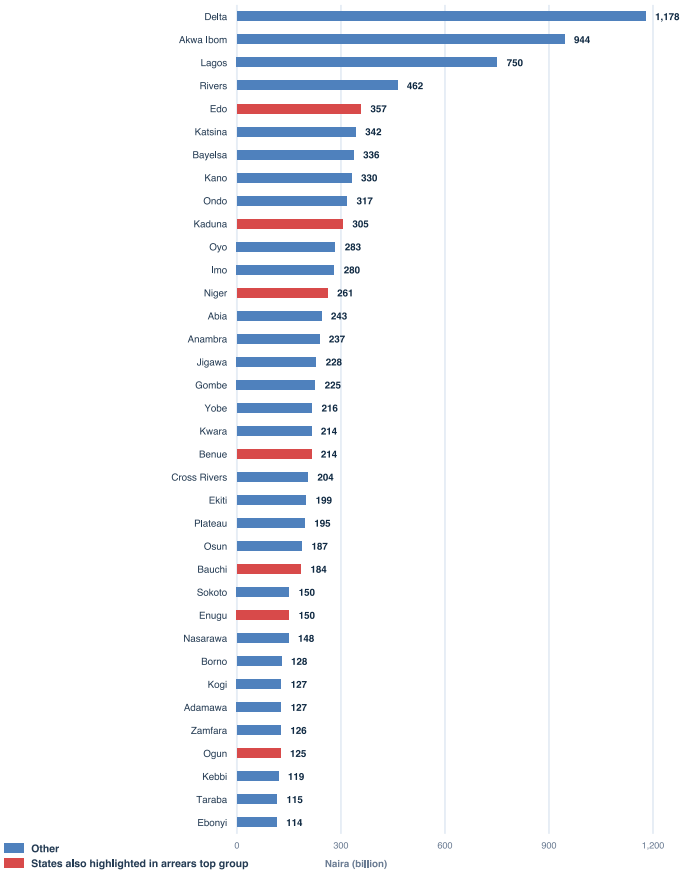
Both charts redrawn as vector horizontal bar graphics

Fig 14 **Pension and gratuity arrears (excluding FCT and Rivers)**



Source: BudgIT

Fig 15 **Actual FAAC received by states in 2024**



Source: State Budgets 2024

Although compliance with a contributory pension scheme does not mean states will not have pension arrears liability (Dahir-Umar, 2023)as the liabilities accrued from the implementation of the previous defined benefit scheme (DBS), the increase of inflow to states under the present administration implies that states could prioritise clearing the pension arrears backlog and at the same time ensure full compliance with the contributory pension scheme.

Section 17 (1–5), of the PRA, 2014, **established the National Pension Commission (PENCOM) as the regulator of the pension industry.** Section 1 of the PRA 2014 provides for the objectives of the PenCom to include:

a. Establish a uniform set of rules, regulations and standards for the administration and payments of retirement benefits for the Public Service of the Federation, the Public Service of the Federal Capital Territory, the Public Service of the State Government, the Public Service or the Local Government Councils, and the Private Sector;

b. Make provision for the smooth operations of the Contributory Pension Scheme;

c. Ensure that every person who worked in either the public service of the Federation, FCT, States and Local Governments or the private sector receives his retirement benefits when due; and

d. Assist improvident individuals by ensuring that they save in order to cater for their livelihood during old age.

KEY OBJECTIVES OF PENCOM

To Ensure that every person who worked in either the public service of the Federation, FCT, States and Local Governments or the private sector receives his retirement benefits when due.

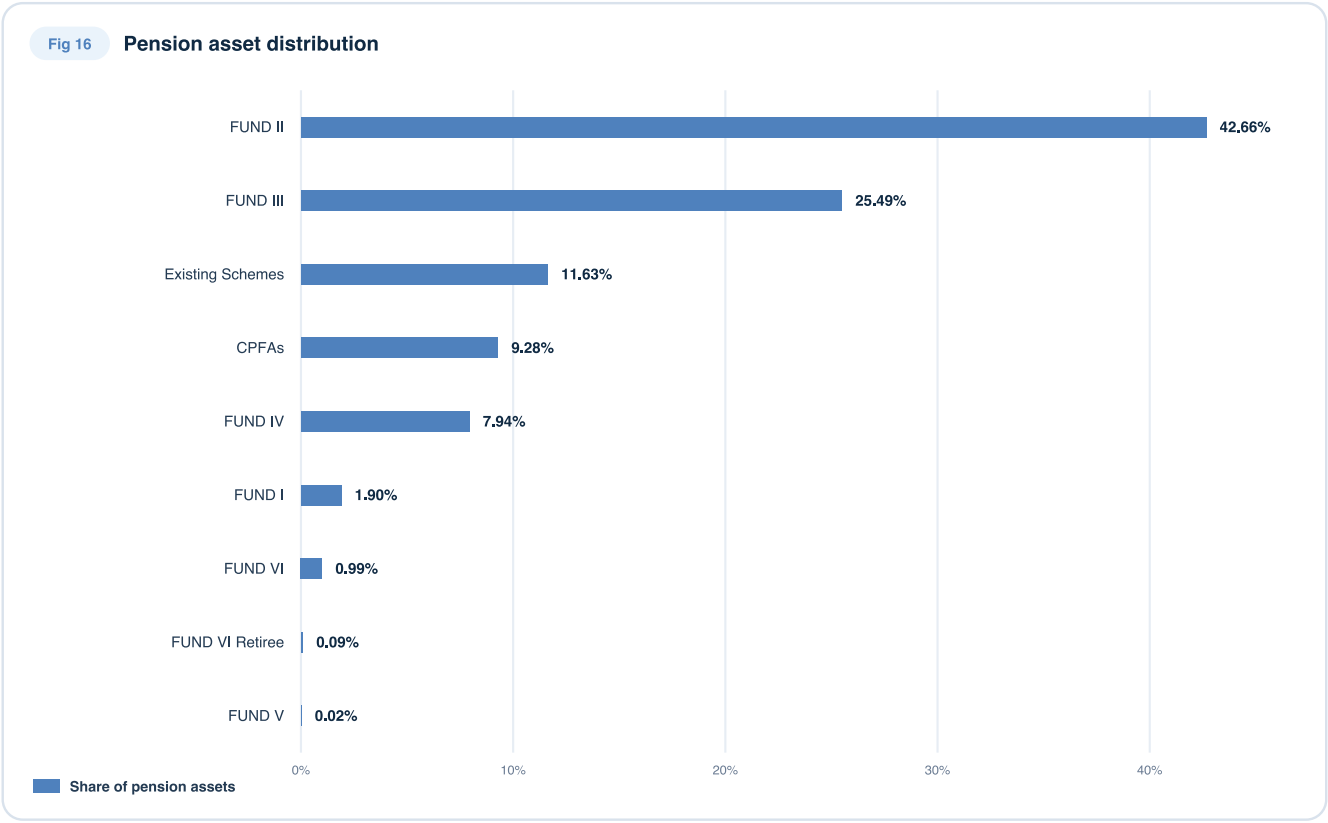
Available data as of 2025 Q3 from PenCom shows that the **total value of pension assets sums up to N26.09 trillion.** Of this amount, **60.35% is invested in FGN securities, 8.94% in local money market securities,** and **0.84% in mutual funds.** Although government securities are generally considered safe from default (credit risk), as Newson (2022) noted, volatility in the financial markets can have impacts throughout the financial system, including the securities market where pension funds are invested. This is because their market value fluctuates inversely with interest rates, thus exposing pension assets to risks associated with financial system and market fluctuations. **Government bonds are the highest class of assets** that pension funds are invested in, though also safe due to the "full faith and credit" of the government, they are also exposed to liquidity risks through the Nigerian stock exchange and other risks such as inflation.

Despite the rise in pension funds, a sizeable proportion of retirees still face challenges with accessing their funds. Desk review attributes these factors largely to unremitted contributions, employer non-compliance, and state-level administrative delays. Other reports[1] attribute it to the following factors: poor coverage of the Contributory Pension Scheme (CPS), **weak compliance with the PRA 2014 by eligible employers and employees,** poor understanding of the public on the workings of the CPS and weak regulation and supervision of the investment framework for pension funds that fail to guarantee the optimal returns and safety of pension funds. Other studies identified challenges with pension payment to include looting of pension funds, poor internal controls, political interference, retirement benefits and deduction at source, and undue bureaucracy that characterises PenCom administration[2].

According to the PenCom data as of March, 2026, total number of workers with **RSA is 11.18 million** (i.e. 11,182,970). Distributed into nine (9) asset class, **the total pension assets as of March 2026 is N29.52 trillion.**

Fig 16. Distribution of Pension Asset by Type

Percentage distribution of pension assets



The multi-fund structure of RSA Funds as of March 2026 shows that **Fund II asset class accounts for 42.66%,** FUND III 25.49%, existing schemes 11.63%, Closed Pension Fund Administrators (CPFAs) 9.28%, and FUN IV 7.94%. According to PenCom (2020), **the RSA FUND I is for active contributors below 50 yrs of age that choose that their contribution be invested in this fund.** On the other hand, RSA FUND III is for all active contributors who are 50 yrs and above, while RSA FUND IV is for retirees only. **Data as of 2025 Q3 show that the proportion of RSA funds from Fund IV accounts for 9.63%,** while the contribution from Fund II accounts for 54.13%. Thus, reflecting its central role in pension asset accumulation due to its broad contributor base, balanced risk profile, and its designation as the default fund for RSA holders who do not make an active selection.

The trend of public sector contribution to pensions from 2014 to 2025Q3 shows that **it averaged 47% over the reference period compared to private sector contribution,** which averaged 53%.

Table 9: Pension Contribution by Public and Private Sector

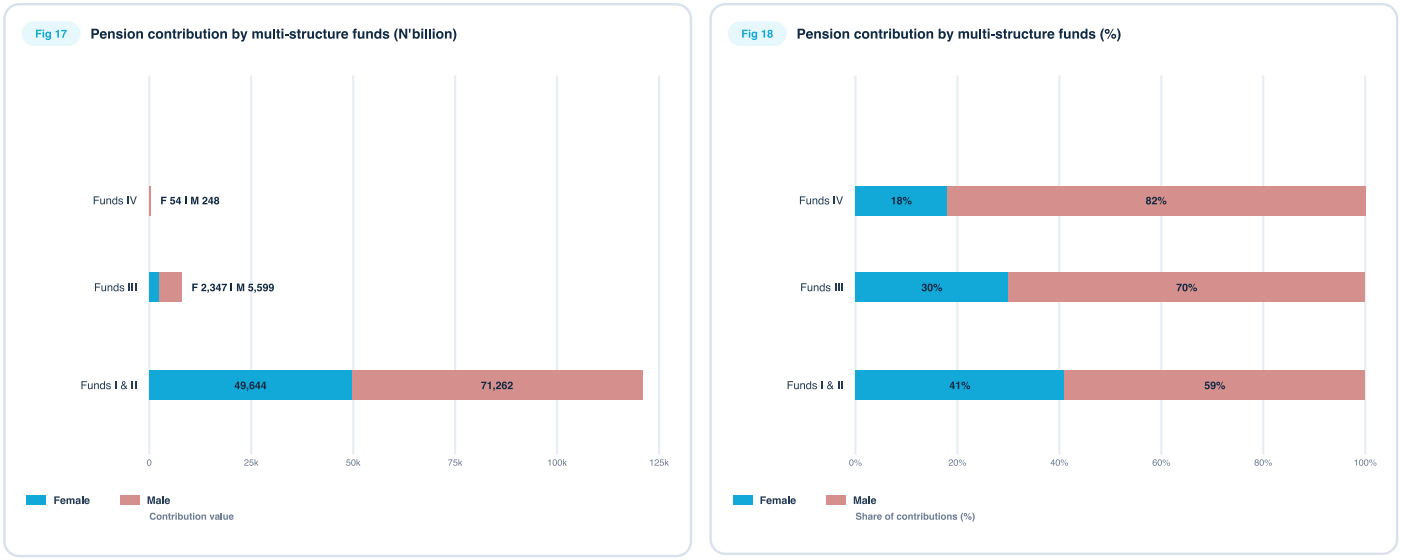
Year	Amount (N' billion)			Percentage (%)		
	Public	Private	Total	Public	Private	Total
2014	237.76	343.97	581.73	41	59	100
2015	200.05	358.91	558.96	36	64	100
2016	225.86	262.33	488.19	46	54	100
2017	257.11	353.73	610.84	42	58	100

2018	266.84	340.72	607.56	44	56	100
2019	331.56	369.13	700.69	47	53	100
2020	536.97	371.12	908.09	59	41	100
2021	491.75	387.4	879.15	56	44	100
2022	533.81	504.17	1037.98	51	49	100
2023	714.88	604.28	1319.16	54	46	100
2024	715.54	652.78	1368.32	52	48	100
2025Q1	185.93	203.24	389.17	48	52	100
2025Q2	223.95	202.47	426.42	53	47	100
2025Q3	164.54	338.65	503.19	33	67	100
Average				47%	53%	100

Source: PenCom (2025)

Across the different fund structures for pension contributions, the share from female contributors is lower compared to their male counterparts. This is reflective of poor representation in paid employment and the consequential exclusion from retirement social protection.

Figs 17 & 18. Pension Contribution by Multi-structure Funds



Source: PenCom

Sector distribution of pension assets in Nigeria based on data from the National Bureau of Statistics (NBS) shows that public sector concentration is 42% while private sector concentration is 58%. Gender distribution of pension assets and membership also shows a higher proportion for males, both in the public and private sectors, compared to females.

Figs 19 & 20. Pension Asset and Membership by Sector

Sector share and gender-disaggregated membership

Fig 19 **Pension asset and membership by sector**

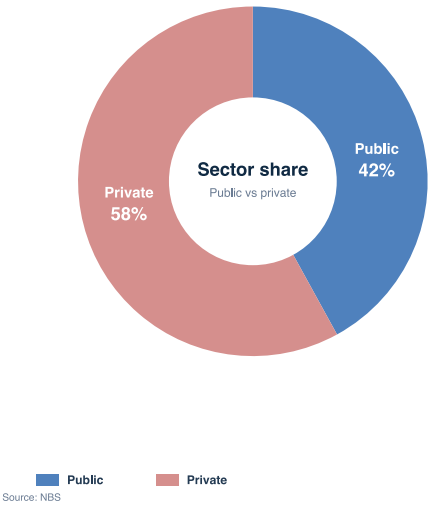
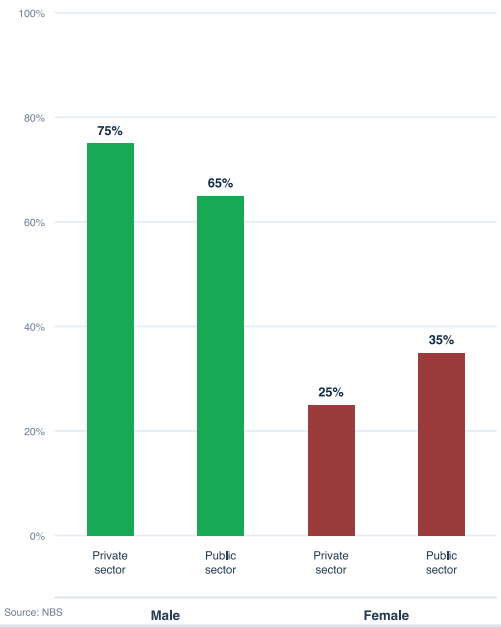


Fig 20 **Pension asset and membership data**



Challenges identified in Dahir-Umar (2023) for backlogs in pension payments, despite compliance with the CPS, include funding challenges, weak administration, fraudulent practices, and cumbersome processes such as delays in processing claims. Another factor identified was lack of commitment by public sector agencies. Because commitment varied across public sector agencies, retirees who had worked for federal and state governments had varying experience with regard to the payment of the benefits they got.

Box 1: Situation with Pension Backlogs and State Compliance

- The Federal Government of Nigeria successfully addressed its massive backlog of pension and gratuity liabilities by issuing a ₦758 billion bond. With these funds, the government cleared long-standing pension arrears (dating back to 2007) and restored immediate pension processing under the Contributory Pension Scheme (CPS)[1].
- 28 state governments collectively owe retirees an estimated N626.81 billion in outstanding arrears. While states continue to clear localised backlogs through intermittent bailouts and budget releases, many states still owe more in accumulated pension debt than they generate internally.
- Kaduna tops the list with N83.29 billion in pension arrears, followed by Benue N72.3 billion, Ogun N81.54 billion), and Edo N57.92 billion[2].
- In states like Benue, Adamawa, and Taraba, pension liabilities surpass total internally generated revenue, creating extreme reliance on federal allocations. However, states like Akwa Ibom, Abia, Ebonyi, Borno, Nasarawa, Kebbi, Jigawa, and Kano, have successfully managed to stay current with their pension obligations[3].

Despite the distinct factors that lead to pension arrears buildup, such as not prioritising employer contribution and remitting deductions (Duke et al., 2024), commitment to the CPS pursuant to the PRA 2014 remains critical for the social security of the Nigerian worker on retirement. Assessing the compliance of states and the FCT with regards to CPS is therefore vital.

The National Pension Commission lists 12 criteria for assessing compliance with the Contributory Pension Scheme. But eight of these criteria are used to assess if a state is fully implementing the CPS, according to the Pension Reform Act 2014. The 12 criteria listed in PenCom (2023) report are:

i. Enactment of Laws on* CPS,

ii. Having a Pension Bureau/ Board in line with CPS,

iii. Remitting ER & EE Pension Contributions,

iv. States to have conducted actuarial valuation,

v. Availability of RBBRFA,

vi. Funding of Accrued Rights,

vii. Payment of Pension Under CPS,

viii. Having a Valid Group Life/Sinking Fund,

ix. Remitting only EE Pension Contributions,

x. Having CDBS Pension Schemes,

xi. Putting in place a CDBS remitting system for ER & EE, and

xii. Pension Laws on Bills passage stage

States like Lagos, Osun, Edo, Kaduna, and the FCT fulfilled the first eight criteria and are rated as fully implementing CPS. On the other hand, Ondo State satisfied conditions i-iii and vii & viii to be classified as fully implementing the CPS.

Table 10: States compliance to Contributory Pension Scheme by Compliance Criteria

Fully Implementing CPS based on criteria i-viii, i.e. Enactment of Laws on CPS, having a Pension Bureau/ Board in line with CPS, Remitting ER & EE Pension Contributions, States to have conducted actuarial valuation, availability of RBBRFA, Funding of Accrued Rights, Payment of Pension Under CPS, having a Valid Group Life/Sinking Fund,	Fully Implementing CPS based on criteria i-viii, i.e. Enactment of Laws on CPS, Having a Pension Bureau/ Board in line with CPS, Remitting ER & EE Pension Contributions, States to have conducted actuarial valuation, Availability of RBBRFA, Funding of Accrued Rights, Payment of Pension Under CPS,	Fully Implementing CPS based on criteria i-viii, i.e. Enactment of Laws on CPS, Having a Pension Bureau/ Board in line with CPS, Remitting ER & EE Pension Contributions, Payment of Pension Under CPS, having a Valid Group Life/Sinking Fund,
Lagos, Osun, Edo, Kaduna and FCT (5)	Ekiti (1)	Ondo (1)

Table 11: States with Pension Arrears as of 2024 compared with their CPS Compliance Rating

Tier Classification	States	Pension and Gratuity Arrears	Contributory Pension Scheme Compliance
Tier 1: Severe Pension Liabilities exceed IGR (Above ₦50 Billion)	Edo	57.918	Full Compliance
	Benue	72.253	Partially Implementing CPS

	Ogun	81.535	Extended Transition Period
	Kaduna	83.291	Full Compliance
Tier 2: High Pension Liabilities (₦25 Billion to ₦50 Billion)	Adamawa	27.500	Not Yet Implementing CDBS
	Niger	29.456	Extended Transition Period
	Bauchi	31.214	Not Yet Implementing CPS
	Enugu	36.179	Not Yet Implementing CPS
	Oyo	39.188	Not Yet Implementing CPS
Tier 3: Moderate Pension Liabilities (₦1 Billion to ₦24.9 Billion)	Cross Rivers	1.103	Bill Stage
	Osun	2.726	Full Compliance
	Zamfara	3.645	Not Yet Implementing CDBS
	Yobe	3.984	Bill Stage
	Ondo	4.771	Full Compliance
	Kogi	6.053	Not Yet Implementing CPS
	Ekiti	10.046	Full Compliance
	Sokoto	10.866	Not Yet Implementing CPS
	Gombe	12.744	Not Yet Implementing CDBS
	Delta	13.481	Full Compliance
	Imo	13.779	Not Yet Implementing CPS
	Bayelsa	14.679	Not Yet Implementing CPS
	Kwara	21.465	Bill Stage
	Taraba	23.305	Not Yet Implementing CPS
	Plateau	24.953	Bill Stage
Tier 4: Minimal Arrears (Below ₦1 Billion)	Lagos	0.049	Full Compliance
	Katsina	0.137	Bill Stage
	Anambra	0.479	Partially Implementing CPS
Tier 5: Zero Arrears & Full Law Implementation	Abia	0.0	Not Yet Implementing CPS
	Akwa Ibom	0.0	Bill Stage
	Borno	0.0	Bill Stage
	Ebonyi	0.0	Not Yet Implementing CPS
	Jigawa	0.0	Fully Implementing CDBS
	Kano	0.0	Partially Implementing CDBS
	Kebbi	0.0	Partially Implementing CPS
	Nasarawa	0.0	Not Yet Implementing CPS

FCT	No published public pension liability profile	Full Compliance
Rivers	No recent publicly available record	Extended Transition Period

Two other states were also identified: Delta for substantially implementing the CPS and Jigawa for fully implementing the CDBS. **Delta is classified in this category for not having a valid Group Life/Sinking Fund,** while **Jigawa fully implements the Contributory Defined Benefit Scheme (CDBS).** According to PenCom (2021), the Contributory Defined Benefit Scheme (CDBS) is a hybrid pension structure that combines elements of the old Defined Benefit Scheme (guaranteed payout) with mandatory contributions from both employer and employee. Whereas the standard Contributory Pension Scheme (CPS) is managed by Pension Fund Administrators (PFAs), the CDBS funds are often managed by a board of trustees.

Table 12: Pension Implementation Status in Nigeria by States and Criteria

Implementation Status	No. of States	States
Fully Implementing CPS	7	Lagos, FCT, Osun, Kaduna, Edo, Ondo, Ekiti
Substantially Implementing CPS	1	Delta
Partially Implementing CPS	3	Anambra, Benue, Kebbi
Not Yet Implementing CPS	11	Bayelsa, Kogi, Abia, Taraba, Imo, Sokoto, Ebonyi, Nasarawa, Enugu, Oyo, Bauchi
Fully Implementing CDBS	1	Jigawa
Partially Implementing CDBS	1	Kano
Not Yet Implementing CDBS	3	Adamawa, Gombe, Zamfara
Bill Stage/ Undergoing Legislative Process	7	Plateau, Cross River, Borno, Akwa Ibom, Katsina, Yobe & Kwara
Extended Transition Period	3	Rivers, Ogun, Niger
Total	36 States & FCT	

Source: PenCom | ActionAid Nigeria

The baseline data from PenCom shows that seven (7) states have fully implemented the CPS, one (1) is substantially implementing the scheme, three (3) are partially implementing the CPS, three (3) have extended transition periods, while seven (7) states are on the bills stage.

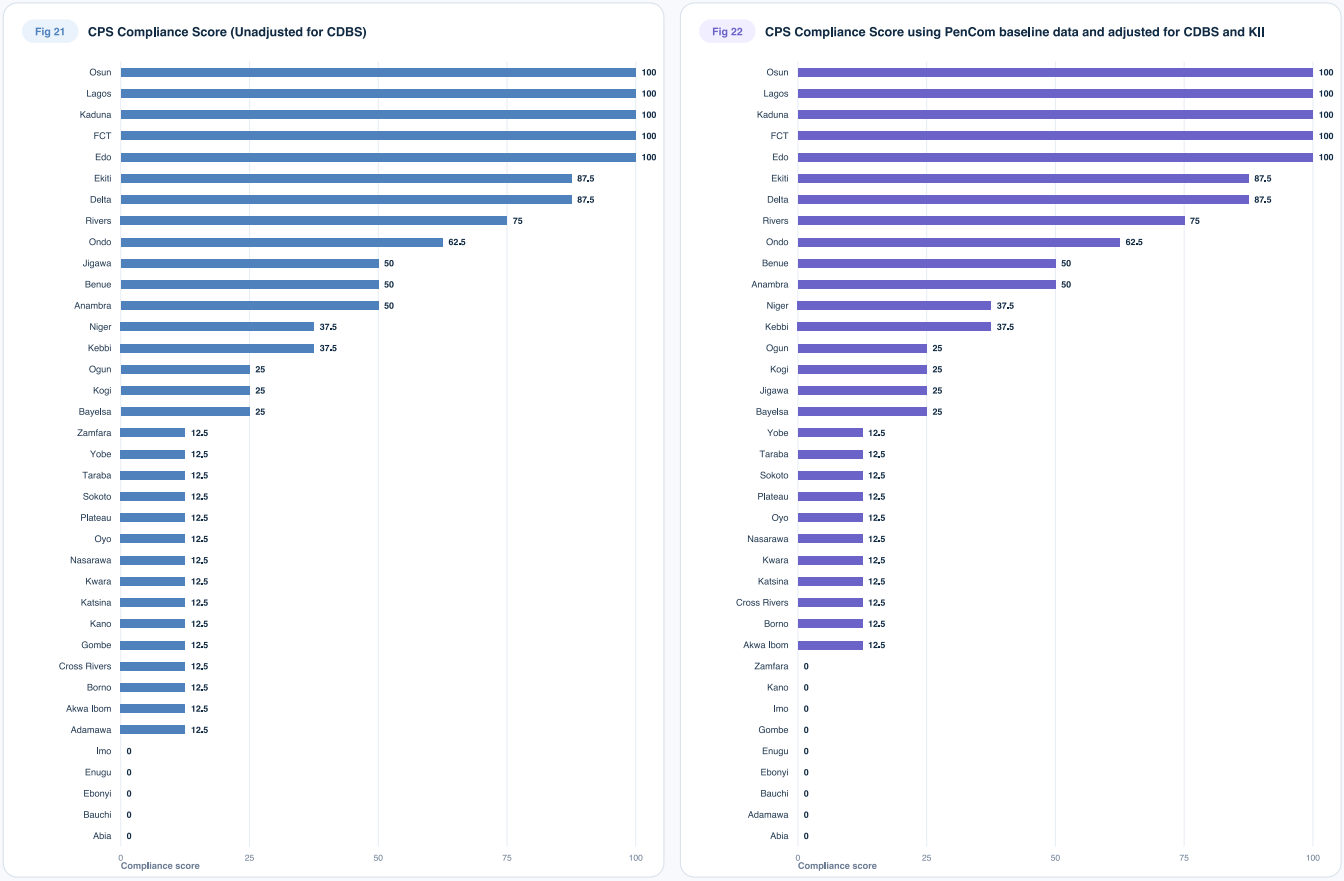
Using the criteria for assessing the compliance of these states, the KII was conducted to provide context with CPS compliance in the 36 states and the FCT. The assessment shows that more states than previously thought are still in a situation where retirees may not easily access their retirement savings, thus calling for further engagement and advocacy.

The target with CPS compliance for public and private sector workers at the federal, state, and local government levels is to operate at 100% level compliance with the PRA 2014. Clearly, with only five to seven states assessed to be fully compliant, challenges remain for the Nigerian workers and retirees. The situation where states with CPS legislation

are still not complying with the contributory pension scheme calls for continued scrutiny and review of the Pension Reform Act (PRA) 2014 to identify aspects through which benefits from the alternative models of pension schemes can be harnessed. One study in such regard is the argument put forward in Yusuf (2014), who noted that while Nigeria and Chile adopted the Defined Contribution (DC) system, Sweden adopted a hybrid of DC and Defined Benefits (DB).

Figs 21 & 22. CPS Compliance Scores

Unadjusted and adjusted state compliance scores



Data from PenCom for 2025Q3 also showed that of the total of 8,430 retirees approved to access their retirement benefits through the Programmed Withdrawal (PW) option in 2025Q3, 70.72% were federal government retirees, 26.33% were private sector retirees, and 2.95% were state government retirees.

Table 13: Retirement/Terminal Benefits as at 2025Q3

	Number	Percentage
Federal Government Workers	5,961	70.72%
Private Sector Workers	2,220	26.33%
State Government Workers	249	2.95%
Total	8,430	100%

Source: PenCom

The data showed that **state retirees had the lowest access to retirement/terminal benefits as of 2025Q3, at 2.95%** (i.e., 249 retirees out of 8,430). Assessment of the compliance with pension payment in Nigeria by this report identified the key challenges as inadequate pension coverage (28%), funding shortfalls, and arrears (23%), mismanagement and corruption of pension funds (16%), and bureaucracy and documentation problems.

Together, these factors account for about 80% of the challenges that characterise pension payments across the 36

states and the FCT. For example, according to the National Pension Commission (2025) report, data for total pension contributions show that while **it grew by 67.26% from N425.92 billion in 2025Q2 to N503.19 billion in 2025Q3,** the contribution from the public sector declined by 26.36% from N223.45 billion in 2025Q2 to N164.54 billion in 2025Q3.

The minimum pension guarantee of the country is determined from time to time by the National Pension Commission using a benchmark that represents one-third of the minimum wage. According to a report, the Pension Transitional Arrangement Directorate, PTAD, in October 2025, announced the commencement of implementation of a new N32,000 minimum pension, alongside increments of 10.66% and 12.95% for eligible Defined Benefit Scheme (DBS) pensioners. **For the Contributory Pension Scheme, retirees whose computed monthly pension falls below N23,333.33, which is one-third of the national minimum wage,** are allowed to withdraw their total retirement savings balance. Because the policy is a minimum, states could pay more.

Table 14: Pension Payment Commitment in Nigeria

State	Minimum Commitment	Actual	Remark
Taraba	32000	4,000-12000	verification and data capturing have been completed
Borno	32000	2,000-4,000	Minimum pension policy not yet implemented in the state
Bauchi	32000	12,500	Adamawa state anticipates minimum pension raise to N44,000
Yobe	32000	32,000	For Benue State, there are consideration at the State Assembly to set minimum pension benchmark at a bandwidth of N40,000 to N50,000 for retirees
Adamawa	32000	4,000	
Benue	32000	2,000-3,000	



SECTION 06

Personal Account to Minimum Wage and Pension Compliance

From the interviews conducted, the report also relied on personal experiences of Nigerians. The major highlight with regards to the minimum wage and pensions compliance in key states are presented below:

I. Private Sector Respondents by Gender for Minimum Wage

> "My salary increased, but transportation, food, rent, and school fees have all gone up. The extra money disappears before the month ends[20]"
>
> **Female Respondent from Private Sector, Imo State**

> "As the only employed person in my family, the wage increase has not changed much because more relatives now depend on me[21]"
>
> **Female Respondent from Private Sector, Anambra State**

> "Most pension processes are now online, but many of us are not familiar with technology[22]"
>
> **Male Respondent from Private Sector, Lagos State**

> "Government workers received adjustments, but our company says business conditions do not allow salary reviews"
>
> **Female Respondent from Private Sector, Kaduna State**

> "The wage increase helped briefly, but school fees, books, and uniforms keep rising every term."
>
> **Female Respondent from Private Sector, Taraba State**

"We appreciate government efforts, but we need policies that address inflation, healthcare, and pension sustainability."

Female Respondent from Private Sector, Kogi State

"I am still working, but I also take care of my aged parents. Their medical bills and daily needs consume a large part of my income"

Female Respondent from Private Sector, Kogi State

II. Private Sector Respondents by Gender for Pension

"If my arrears were paid, I could clear my debts and support my grandchildren's education[23]"

Male Respondent from Private Sector, Ekiti State

"After serving for over 30 years, I expected a comfortable retirement, but I still struggle to meet basic needs[24]"

Male Respondent from Private Sector, Kano State

III. Public Sector Respondents by Gender for Minimum Wage

"Even with the wage increase, owning a house or paying rent comfortably remains a dream"

Male Respondent from Public Sector, Ondo State

"Transport fares have doubled. A large part of my salary goes into getting to work every day."

Female Respondent from Public Sector, Katsina State

"We hear about the wage increase in the news, but we are yet to see any changes in our pay slips"

Male Respondent from Public Sector, Yobe State

> "Since my husband passed away, accessing his pension benefits has been a long and difficult process"
>
> **Male Respondent from Public Sector, FCT, Abuja**

IV. Public Sector Respondents by Gender for Pensions

> "I was asked to make a refund of salary payment for three months. I had a health condition and could not avail myself for processing with regards to retirement. Those who were to help did not, and now I am asked to refund. There should be training and retraining for staff so they can be guided on what to do before they retire with regards to the Public Service Rule".
>
> **Female Respondent from Public Sector, FCT, Abuja**



The personal accounts were also cross referenced with actions taken by the governments in selected states. This is presented below.

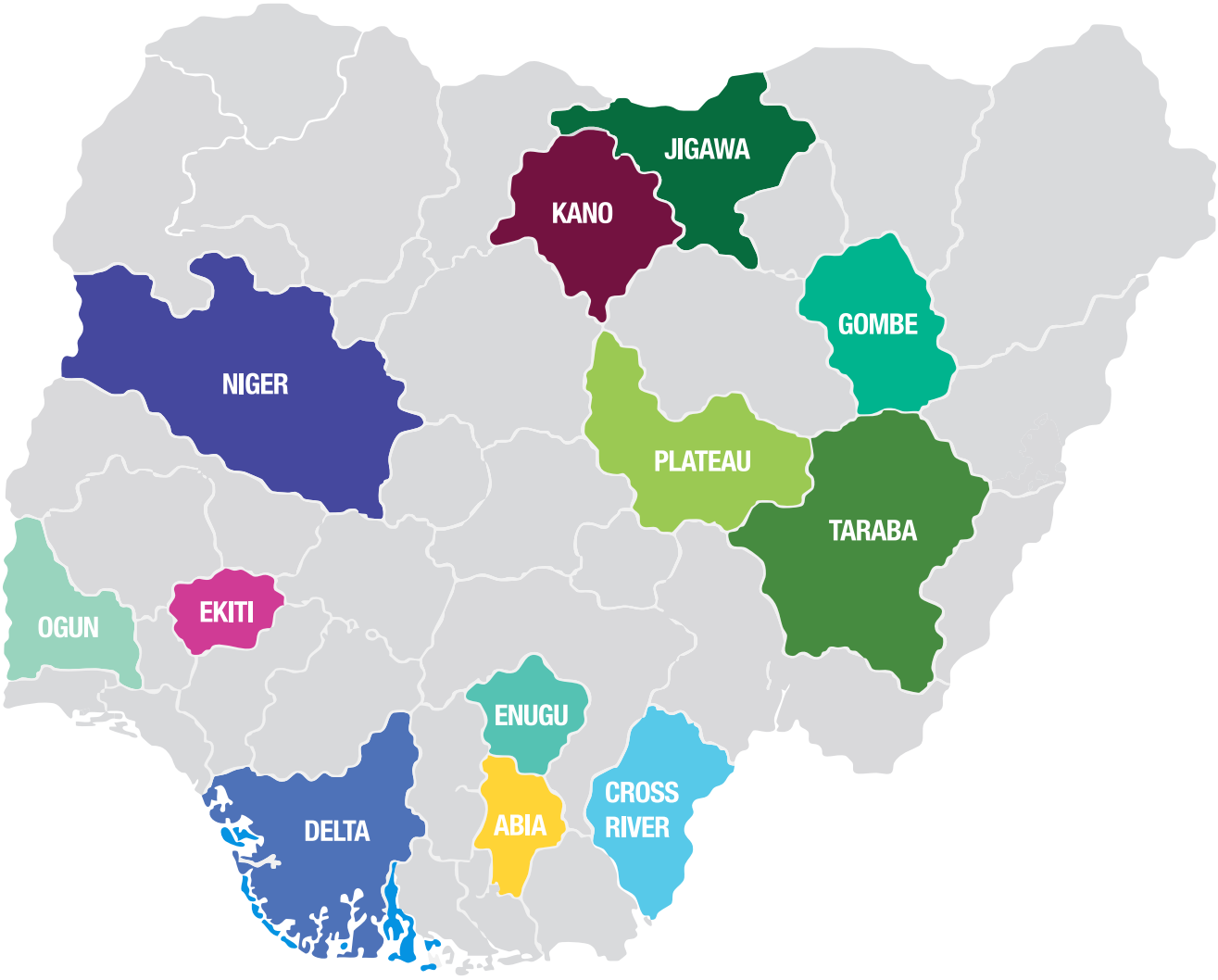
Table 15: States Efforts with Wage and Pension Compliance

Zone	States	General Context
NW	Kano	Gov Yusuf Clears N22 Billion from N48 Billion Backlog of Retirees' Gratuities and Death Benefits (July, 2025)[26]

	Jigawa	The Jigawa State and Local Governments Contributory Pension Scheme Board commenced the disbursement of over N661 million in terminal and death benefits to 272 retirees and relatives of deceased civil servants across the state (May, 2026).
NC	Plateau	We have committed over N16 billion to pensions, gratuities payment in three years, says Mutfwang[27] (June 2026)
	Niger	Niger State governor, Umaru Bago, has stated that the government does not owe any monthly pension arrears (February, 2026 by Governor during meeting held with the leadership of the State Chapters of the Nigeria Labour Congress and that of the Nigeria Union of Pensioners at the Government House, Minna)[28]. The organised Labour[29] in Niger State called on Governor Mohammed Bago to implement the new minimum pension and settlement of pension arrears in the state.
NE	Gombe	Gombe government approves N6 billion for gratuity payments[30] (June 2025)
	Taraba	Taraba Released N7 billion For Pension, Gratuity from 2023 to 2026.[31] Taraba State Government has reduced the monthly allowance of street sweepers under its Operation Keep Taraba Clean programme from ₦15,000 to ₦10,000[32] The Chairman of the Taraba State Environmental and Sanitation Agency, Illiya Kefas, on Tuesday said the decision to reduce the monthly allowance of members of the Operation Keep Taraba Clean programme, popularly known as street sweepers, from N15,000 to N10,000 was an internal administrative measure and not a directive from Governor Agbu Kefas[33].
SS	Delta	Delta gov approves N10bn to clear pension arrears[34] (August 2025).
	Cross Rivers	2,000 ghost pensioners uncovered in Cross River (July 27, 2024)[35] LG retirees urge Cross River assembly to pass pension bill amid payment delays (News Agency of Nigeria • March 9, 2026)[36]. Cross Rivers state Flags Off Phase Two of Retiree Entrepreneurship Development Initiative (REDI) (April 20, 2026)[37] Cross Rivers State resumes Gratuity Payments (May 2, 2026)[38].
SW	Ogun	Paid ₦23.3 billion in gratuities covering retirees from 2012 to 2020, alongside ₦32.8 billion in outstanding gratuities for local government retirees inherited by the administration[39] (Feb 2026)
	Ekiti	Ekiti paid over N85 billion as gratuity, pension from 2022-2026[40]

SE	Enugu	"Governor Peter Mbah is committed to clearing all outstanding pension and gratuity arrears. Retirees will receive their payments in instalments until all arrears are fully settled," Okenwa stated[41] (March 2025).
	Abia	Otti sets up committee to revisit disagreement over pension (July 23, 2025)[42] Abia government approves payment of 10 years' arrears of pensions to retired Abia ADP staff (March 11, 2026)[43] Abia government clears the backlog of pension arrears and signs the Abia State reform Pension Law 2024.

While the evidence shows efforts by state governments, the question of why pension arrears remain high and compliance with minimum wage remains weak amidst increasing revenue to states and the FCT is one that needs to be addressed. One way to do this is to enforce compliance with the CPS in the private sector and ensure that states achieve full compliance with the CPS.



SECTION 07

Summary and Issues for Advocacy

The amendment to the Minimum Wage Act in 2024 that raised the minimum wage to **N70,000 from N30,000** is commendable, as it complies with the five-year interval required as provided for in the Minimum Wage (Amendment) Act 2019.

The Minimum Wage Act also reduces the five-year interval period required for review to five years. This allows for negotiations on the minimum wage to reflect economic realities within the medium-term economic period.

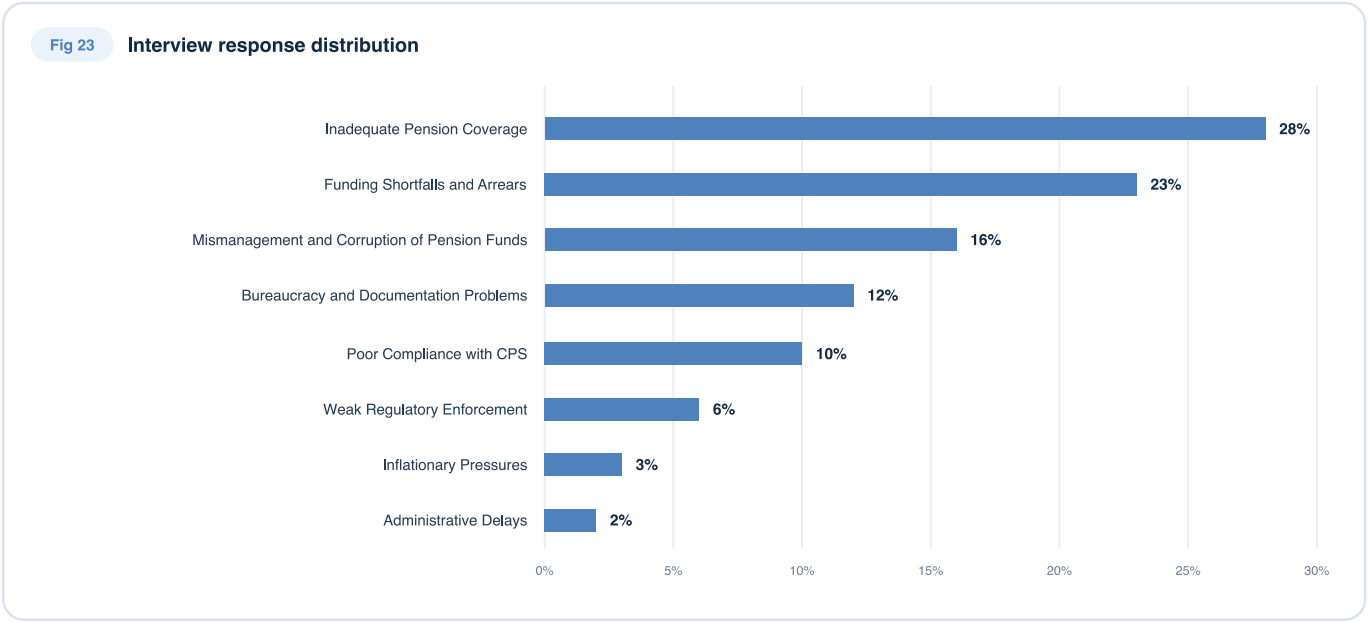
While compliance with the Minimum Wage Act at the federal level is nearly 100%, **it is below 67% for states and 48% for local governments.** The major challenge responsible for the varying level of compliance with minimum wage at the state and local government level is poor commitment of states to prioritise public resources to wage obligations, inflationary pressures, and harsh conditions of economic reforms leading to no compensatory spending of state governments, despite increases in FAAC allocation.

While most states have extended the payment of the new minimum wage to all categories of workers, including local government employees and primary school teachers in the new salary scheme, Borno, Kaduna, Nasarawa, Yobe, and Zamfara states have yet to. Contrary to the provision in the PRA 2014 that mandates the implementation of the CPS across the nation, some states still operate the defined benefit scheme. Amending the Pension Reform Act 2014 to allow flexible operation by states, will therefore be critical.

Despite increased resources to states, many states are still faced with the challenge of legacy pension debt. Data from secondary sources and key informant interviews, also showed that challenges such as low pension coverage, funding shortfalls, and mismanagement of pension funds continue to constrain pension management across states in Nigeria.

Fig 23. Challenges Associated with Poor Pension Payment in Nigeria

Key Informant Interview responses



At the state and local government levels, challenges such as mismatch of employee data and pension backlog were also identified. For the local government, however, funding shortfalls topped the list of respondents at the local government level. The operationalisation of local government autonomy and financial autonomy would therefore be crucial to improve pension administration.

Figs 24 & 25. Challenges in Accessing Pension / Retirement Benefits

Federal versus State & Local Government responses

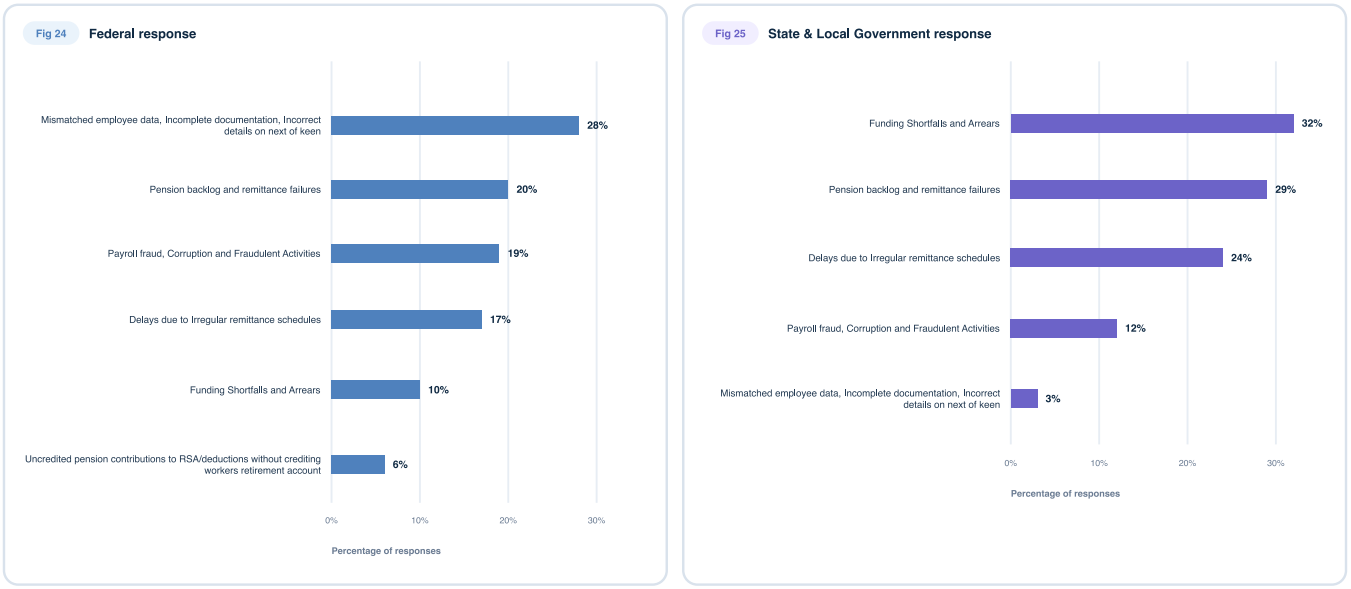
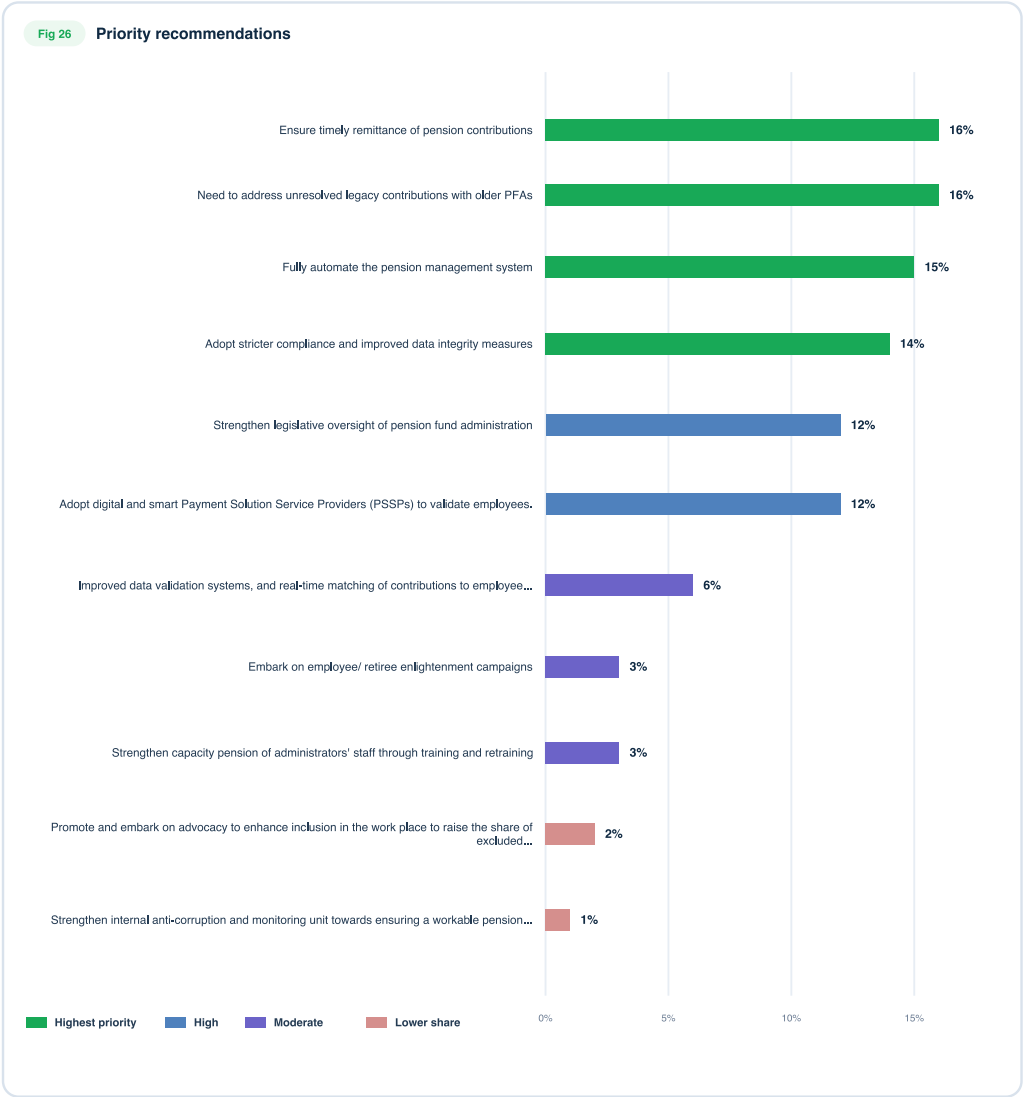


Fig 26. Recommendations for Enhancing Pension Compliance



- While having operational pension schemes and ensuring that retirees have access to their pension savings are requirements for all states, compliance with the PRA 2014 needs to be strengthened through stakeholder engagement across states. Stakeholders must engage with the process, and the legislature must strengthen its oversight activities to ensure that states fully comply with the Pension Reform Act 2014 to ensure that contributory pension schemes are fully implemented.

- There is also a need to strengthen engagement and advocacy in states still operating on the CDBS to ensure that they transition to the CPS as provided for in the PRA, 2014. Examples of these states include Jigawa, Kano, Adamawa, Gombe, and Zamfara.

- Governments should also strengthen engagement to ensure that their pension policies and schemes are fully anchored on the PRA, 2014.

- While states such as Plateau, Cross Rivers, Borno, Akwa Ibom, Katsina, Yobe, and Kwara were documented based on the PenCom report in 2023, there is a need for institutional support for PenCom to update their reports and build capacity for their personnel.

- Evidence also showed that even in states where legislation has been passed, institutional support to conduct actuarial valuation remains critical.

- Advocacy is also required to ensure that states that have enacted laws on CPS but still remit only employee (EE) pension contributions should be discontinued.

- While the evidence shows efforts by state governments, the question of why pension arrears remain high and compliance with minimum wage remains weak amidst increasing revenue to states and the FCT, is one that needs to be addressed. A way to do this is to enforce compliance with the CPS in the private sector and ensure that states achieve full compliance with the CPS

Lastly, whereas this report captures pension payments for workers in the formal employment sector, minimum wage and pension compliance matters also affect Nigerians who are artisans, creatives and self-employed, including content creators and tech innovators. To provide for these categories of persons, it would be critical to strengthen the nation's copyright and piracy laws. This will ensure that Nigerians who are creatives are not robbed of their earnings.
Similarly, **engaging with the government and stakeholders in online transportation apps and the NURTW will be essential to ensure that Nigerians working in this sector benefit from minimum wage adjustments** through incentives and are included in the Contributory Pension Scheme.

Source Notes

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Appendices

Appendix 1: Key Informant Interview Questions

Dear Respondents,

Thank you for your time answering these research questions. In this study, we are interested in assessing the situation with minimum wage and pension payment compliance in Nigeria at the federal, state, and local government levels. We would be glad if you could take a few moments to answer the questions during this interview session. The questions have also been designed to secure your privacy. Responses would be aggregated and used for advocacy purposes only, and the information so used would not reveal any information that is private to you.

Thank You

Section A: Demographic Data

1. Gender
2. State
3. What is your employment status (employed or retired)?
4. Union Membership
5. Spread Across States
6. Spread Across LGAs
7. Age

Section B: General Assessment

8. What is the minimum wage that workers are paid in your state?
9. Are you aware that there is a new Minimum Wage Act that raises the minimum wage from N30,000 to N70,000?
10. Is the new minimum wage paid to local government workers in your state?
11. What is the wage paid to LGA workers in your state?
12. Is the new minimum wage paid to primary school teachers and other teachers in secondary schools in your state/ LGA?
13. What reason can you adduce for why the minimum wage is not paid in your state?

Section C: Assessing Effectiveness

14. The Pension Reform Act 2014 requires that you have a Retirement Savings Account (RSA). Do you have a retirement savings account (RSA)?
15. Is the state government keeping up with their part in the Contributory Pension Scheme (CPS)?
16. Are you able to access your pension upon retirement when it is due?
17. Would you agree that minimum wage payment is effective at the federal level?
18. Would you agree that minimum wage payment is effective at the state level?

19. Would you agree that minimum wage payment is effective at the local government level?
20. Would you agree that teachers are benefiting from the new minimum wage payment at the state level?
21. Would you agree that teachers are benefiting from the new minimum wage payment at the local government level?
22. Would you agree that teachers are benefiting from the new minimum wage payment at the federal level?

Section D: Deducing Challenges and Recommendation

23. From your assessment, what is the major challenge with pension payments for retirees?
24. From your assessment, what is the major challenge with the payment of the minimum wage payment?
25. What is the challenge with the state's payment of minimum wage to teachers and workers at the local government?

Appendix 2: Questionnaire format of the Interview Questions

Dear Respondents,

Thank you for your time answering these research questions. In this study, we are interested in assessing the situation with minimum wage and pension payment compliance in Nigeria at the federal, state, and local government levels. We would be glad if you could take a few moments to answer the questions during this interview session. The questions have also been designed to secure your privacy. Responses would be aggregated and used for advocacy purposes only, and the information so used would not reveal any information that is private to you.

Thank You

Section A: Demographic Data

26. Gender: (a) Male (b) Female
27. Geo-political Zone (a) South-South (b) South West (c) South East (d) North Central (e) North West (f) North East (g) FCT
28. State

a) Abia	l) Edo	y) Lagos
b) Adamawa	m) Ekiti	z) Nasarawa
c) Akwa Ibom	n) Enugu	aa)Niger
d) Anambra	o) FCT	bb)Ogun
e) Bauchi	p) Gombe	cc) Ondo
f) Bayelsa	q) Imo	dd)Osun
g) Benue	r) Jigawa	ee)Oyo
h) Borno	s) Kaduna	ff) Plateau
i) Cross Rivers	t) Kano	gg)Rivers
j) Delta	u) Katsina	hh)Sokoto
k) Ebonyi	v) Kebbi	ii) Taraba
	w) Kogi	jj) Yobe
	x) Kwara	kk) Zamfara

29. What is your employment status: (a) Employed (b) Retired
30. Union Membership: (a) Yes (b) No
31. Does you Union have spread across the 36 states of Nigeria: (a) Yes (b) No
32. Does you Union have spread across All LGAs in the 36 states and the FCT: (a) Yes (b) No
33. What is your aged range: (a) 18 – 35 (b) 36 – 50 (c) 51 – 60 (d) 61 and above

Section B: General Assessment

34. What is the minimum wage that workers are paid in your state? (a) Below (b) 70,000 (c) Above 70,000 (d) 30,000 (e) 18,000
35. Are you aware that there is a new Minimum Wage Act that raises the minimum wage from N30,000 to N70,000? (a) Yes (b) No (c) Not Sure
36. Is the new minimum wage paid to local government workers in your state? (a) Yes (b) No (c) Not Sure
37. What is the wage paid to LGA workers in your state? (a) Below (b) 70,000 (c) Above 70,000 (d) 30,000 (e) 18,000

38. Is the new minimum wage paid to primary school teachers and other teachers in secondary schools in your state/LGA? (a) Yes (b) No (c) Not Sure

Section C: Assessing Effectiveness

39. The Pension Reform Act 2014 requires that you have a Retirement Savings Account (RSA). Do you have a retirement savings account (RSA)? (a) Yes (b) No (c) Not Sure
40. Are you aware of workers in the Public sector without RSA: (a) Yes (b) No (c) Not Sure
41. Are you aware of workers in the Private sector without RSA: (a) Yes (b) No (c) Not Sure
42. Is the state government keeping up with their part in the Contributory Pension Scheme (CPS)? (a) Yes (b) No (c) Not Sure
43. Are you able to access your pension upon retirement when it is due? (a) Yes (b) No (c) Not Sure
44. What irregularity are often associated with your pension/ retirement benefits claim data? (a) Yes (b) No (c) Not Sure
45. Would you agree that minimum wage payment is effective at the federal level? (a) Yes (b) No (c) Not Sure
46. Would you agree that minimum wage payment is effective at the state level? (a) Yes (b) No (c) Not Sure
47. Would you agree that minimum wage payment is effective at the local government level? (a) Yes (b) No (c) Not Sure
48. Would you agree that teachers are benefiting from the new minimum wage payment at the state level? (a) Yes (b) No (c) Not Sure
49. Would you agree that teachers are benefiting from the new minimum wage payment at the local government level? (a) Yes (b) No (c) Not Sure
50. Would you agree that teachers are benefiting from the new minimum wage payment at the federal level? (a) Yes (b) No (c) Not Sure

Section D: Deducing Challenges and Recommendation

51. From your assessment, what is the major challenge with pension payments for retirees?
    a) Remittance Failure and Data Inconsistencies
    b) Bureaucracy and Documentation Problems
    c) Limited Coverage
    d) Funding Shortfalls and Arrears
    e) Mismanagement and Corruption of Pension Funds
    f) Inconsistency in Pension Reforms
    g) Weak Regulatory Enforcement
    h) Poor Compliance with CPS
    i) Inflationary Pressures
    j) Administrative Delays
    k) Inadequate Pension Coverage
52. What challenges do you experience in accessing your pension/ retirement benefits?
    a) Often delayed due to Irregular remittance schedules
    b) Uncredited pension contributions to RSA/ deductions without crediting workers retirement account
    c) Mismatched employee data, Incomplete documentation, Incorrect details on next of keen
    d) Pension backlog and remittance failures
    e) Mismatched names and incorrect dates of birth
    f) Payroll fraud, Corruption and Fraudulent Activities
53. From your assessment, what is the major challenge with the payment of the minimum wage payment?
    a) Poor IGR in States
    b) Harsh living conditions of economic reforms leading states to prioritize other projects
    c) High cost of capital projects due to inflation and dwindling exchange rate
    d) Duplication of executive expenditure leading to high cost of governance
    e) Low Political Will of governors to implement
    f) Diversion tactics that use overhead expenditure to divert funds from Personnel budget
    g) High Dependency on FAAC Allocation
    h) Bloated civil service payrolls
    i) Others (Please state) _____

actionaid

Abuja Office:
Plot 477, 41 Crescent, off
4th Avenue, Gwarinpa,
FCT.

Lagos Office:
7B/32B Adeniji Street off,
WEMCO Road, Ogba
Residential Scheme, Ogba,
Lagos State.

Maiduguri Office:
No 3, Gombole Street, off
Gombele Road
Old GRA, Opposite Giwa
Barracks, Maiduguri

Yobe Office:
No. 7 YBTP/039
GRA Commisioners
Quarters, neside SUBEB
Damaturu, Yobe State

www.actionaid.org/nigeria info.nigeria@actionaid.org ActionAid Nigeria ActionAid Nigeria ActionAid NG