



# PENSION NOTES

Issue XVI 01 February 2008

## INDUSTRY / REGULATORY UPDATE

During the month, the Military Pension Board paid the retirement benefits of Nigerian soldiers who served in the defunct Biafran Army during the Civil War. Also paid were the beneficiaries of late Military Personnel who had died in active service.

The Military Pension Board also promised to ensure that all outstanding gratuity and pensions due to ex-servicemen are paid in January and February, this year.

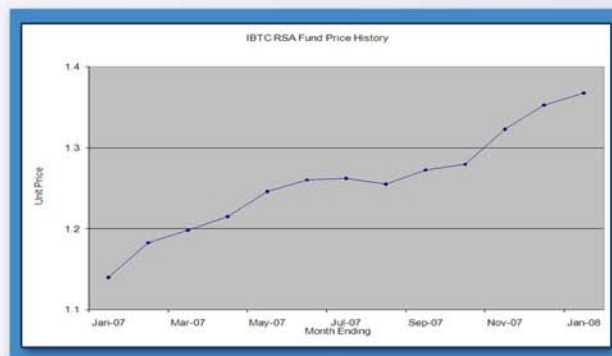
Payments of arrears of retirement benefits received a boost in some of the States of the Federation, as the Bauchi State Government announced that it had paid over N500 million in pension arrears to its pensioners over the last seven months. Similarly, the Kebbi State Government had also paid N550 million in pension and gratuity arrears over the last seven months.

Also, PenCom organized a Seminar for Industry Operators on the processing of withdrawals, in line with its recently released Exit Guidelines. The seminar afforded industry operators an opportunity to clearly understand the workings of the Guidelines, seek clarifications on the process, and understand PenCom's expectations of them.

## IBTC RSA FUND

The IBTC RSA Fund ("The Fund") which opened on 02 May 2006 at N1.0000 closed at N1.3676 as at 31 January 2008. In line with investment guidelines issued by PenCom, the Fund's portfolio allocation was as follows on 31 January 2007: Government Securities (39.43%), Money Market (33.79%), Quoted Equities (24.85%), Managed Funds (1.37%) Other Fixed Income (0.55%).

The chart below shows the performance of The Fund from January 2007 to date.



Notwithstanding the conservative nature of Pension Fund investments in compliance with industry regulations, our primary investment objective at IBTC Pensions remains to deliver competitive returns on investment while ensuring security and liquidity of pension assets at all times.

## PRODUCT INFORMATION

### Checking My Account **On-Line 24/7**

- Log on to our website [www.ibtcpension.com](http://www.ibtcpension.com)
- Enter your RSA PIN e.g. PEN100002111234 at the top right corner of the page(Members login)
- Click on the Log in button or press the enter key on your key board to log in  
You are taken to our remote server, it shows that your PIN has been verified
- Click on Enter our Secure Server
- Now enter your Username and Pass Code and log in  
You can now view your RSA Balance

#### IMPORTANT POINTS TO NOTE

- Enter your RSA PIN completely beginning with "PEN"
- When entering the Username make sure to start with the zero ("0"), this usually begins the Username.
- Remember to change the Pass Code and keep it secured
- If you have forgotten your Pass Code, and for any enquiries on logging in, please call 012716000 or send an e-mail to: [pensionsolution@ibtc.com](mailto:pensionsolution@ibtc.com)

**Thick IBTC!**

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# PERSONAL DEVELOPMENT

## Empowerment Involves Risk

Have you ever thought that you had to hand over a really important assignment to a younger colleague, and feared that he will not deliver. Many leaders fail to empower, and many followers refuse to be empowered, just for the fear of fear. This short story told by Valerie Stewart, will put some perspective to the issue.

*“Recently, I worked with a group of people from the personnel function of a large company in serious trouble. We were working on a plan for the personnel department’s contribution to getting the organization out of the problem. They worked hard and well, and put together a splendid presentation for the Personnel Director. They had a plan to bust the bureaucracy, make innovation easier, get back in touch with the customer, reduce inter-departmental fights, and give up a lot of their own power. It would not have been the total salvation of the Company, but it would surely have helped*

The Personnel Director sat through it all, and then responded ‘I can see the sense of what you say, and if you can prove to me now that it stands a 95% chance of working, I’ll give it serious consideration’, thus demonstrating the low-risk, anti-innovation attitude that had gotten them into trouble in the first place. The team packed up, and started reading the job adverts in the Daily Telegraph, and preparing their resumes.”

How many of us have been pushed to dusting our CVs and checking on Tuesday and Thursday Guardian, because we felt we needed to be more empowered or take on more risk? How many managers have also asked staff to be redeployed because of their lack of innovation or creativity or a desire to be empowered. This story works both ways, and shouldn’t be the story of us and our employers.

## FREQUENTLY ASKED QUESTIONS

**Q** How Do Voluntary Contributions Work?

**A** The Pension Reform Act allows an employee to make additional contributions to his RSA to augment the mandatory contributions, and enhance his retirement benefits. This is called a **Voluntary Contribution** (“VC”).

VCs are invested alongside your RSA and is encouraged as a way of improving your retirement benefits It is also a form of savings that reduces your overall tax burden, as it is not taxed at the point of contribution because it is part of your RSA. For example, rather than saving through other products or investments after you have paid income tax on the portion of the amount you wish to save, you can make a Voluntary Contribution, enjoy the tax benefit and still save and invest as you want to.

You can choose to contribute any amount as VC monthly. There is no fixed rate. Also, you can choose to discontinue the VC at any time. To make a Voluntary Contribution, inform your Human Resources / Personnel Manager to make additional deductions (e.g. N5,000 monthly) and remit alongside your monthly Pension Contribution.

According to the Act, you may also choose to make lump sum withdrawal of your VC at any time. However, a withdrawal from a Voluntary Contribution account will be subject to tax at the point of withdrawal when the withdrawal is made within less than 5 years from the original contribution.

### Location Nationwide include

Abia (08077914201) Adamawa (08082047120) Akwa Ibom (08082047121) Anambra (08077914203) Bauchi (08068792464) Bayelsa (08077914221) Benue (08077914172) Borno (08082047122) Cross River (08077914223) Delta (08068792467) Ebonyi (08077914222) Edo (08077914174) Ekiti (08034797861) Enugu (08077914202) FCT Abuja (09-6723156/7 08022901000 , 08042901000 , 08052901000) Gombe (08068792468) Imo (08068792462) Jigawa (08034797693) Kaduna (08082047123 , 08082047126) Kano (08068792460) Katsina (08068792466) Kebbi (08034797641 ) Kogi (08068792465) Kwara (08068792469) Lagos (01-2716000, 01-7450000) Nassarawa (08077914224) Niger (08077914173) Ogun (08077914171) Ondo (08034797687) Osun (08077914204) Oyo (08082047125 , 02-2412445 , 02-8109040) Plateau (08068792463) Rivers (084-750950 , 084-463460) Sokoto (08082047124) Taraba (08034797639) Yobe (08034797640) Zamfara (08068792461)

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HOTLINES: 0802 PENSION (i.e. 0802 736 7466), 0804 PENSION, 0805 PENSION, 0806 PENSION

