



## Our quarterly newsletter...

Keeping you informed and helping you retire well

## Pension Contributions after Retirement

Mr Kunle Okeke had retired from the public sector at the age of 55. He processed his retirement benefits and started to receive monthly pension from his Retirement Savings Account ("RSA"). 4 years later he secures another job with XYZ Limited but is confused as to how his pension contributions will be made. His concerns are simple but valid.

Given that he has already accessed the pension contributions accumulated from his days as a civil servant, what happens to the contributions from XYZ Limited? Are they to be remitted into the same RSA he is currently receiving monthly payment from? If the contributions are remitted into his RSA, how does he access/withdraw the funds? Should XYZ Limited break the law by not making pension remittance for him?

He takes his fears to his employer who is just as confused as Mr Okeke. His employer however engages Adeoye, a Relationship Manager with Stanbic IBTC Pension Managers who provides the clarification below.

"Based on the guidelines issued by the National Pension Commission ("PenCom"), where a Retiree who is above the age of 50 and already receiving monthly pension becomes gainfully employed, the contributions from the new employer are to be made into the retiree's existing RSA as voluntary contributions ("VC").

Upon resumption at the new job, the Retiree is required to inform his employer that he/she is already retired to enable the employer make his/her pension remittance as VC only.

However, where contributions have been remitted into the Retiree's mandatory account, he/she is required to provide his/her Pension Fund Administrator ("PFA") with the following documents for the transfer of the funds to VC account:

- Letter of instruction from the client to move contributions to VC.
- Copy of letter of contract/employment letter from the new employer.
- Letter of consent from the employer regarding the transfer of contributions balance from mandatory to VC.
- Copy of letter of retirement.\*
- Evidence of pension payment.\*"

If you are like Mr Okeke, retired and back in employment, speak to your employer today to ensure your contributions are remitted as VC.

\* These documents are required if the retiree is receiving pension from a source that is not under the current contributory pension scheme.



Catch up with us on our social media platforms every Wednesday for #WealthWednesday...

...where we explore many ways to increase and consolidate your wealth!



### The Stanbic IBTC RSA Fund

The Stanbic IBTC RSA Fund ("The Fund") which opened on 02 May 2006 at N1.00 closed at N3.08 as at 31 March 2017. In line with investment guidelines issued by the National Pension Commission, the Fund's portfolio allocation was as follows on 31 March, 2017 Government Securities (84.76%), Money Market (1.58%), Quoted Equities (10.46%) and Other Fixed Income (3.20%).

### Important Information

Stanbic IBTC Pension Managers Limited will NOT ask for gratification (e.g. money, recharge card etc.) before or after processing your benefits application.

Kindly disregard ANY request for gratification neither should you offer money to any organization, agent or staff for the processing of your retirement benefit.

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