

Delayed payment of gratuity, pension, and post-retirement conditions

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Abstract

The value of retirees' gratuity and pension will continue to grow as individuals reduce their reliance on family members to care for them in old age and accept the truth that they must care for themselves by saving for the future. Benefits for retirees have piqued the interest of policymakers and experts worldwide. Numerous articles have been written to assess Nigeria's previous pension system, the reasons for its failure, the shortcomings of the new pension system, and the influence of both the old and new pension systems on pensioners' wellbeing in Nigeria. Nonetheless, no study exists in Nigeria on the effect of delayed gratuity and pension payments on post-retirement situations. To close this divide, this study explores the effect of delayed gratuity and pension payments on retirees' willingness to keep their current position in Nigeria. This study analyzed secondary data obtained from published and unpublished books, journal articles, and online sources. It used content analysis to determine the relevance of the material collected to the study's scope. The study shows that delayed gratuity and pension payments contribute to pensioners' diminishing status, deteriorating health, and premature mortality shortly after retirement. The study consequently suggests that both public and private employers of labor do regular pre-retirement training for their employees to avoid the shame of seeing their retirees become penniless on the streets or succumb to an early death shortly after retirement.

Keywords: retirement; gravity; pension; retirees; retirement plan

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Introduction

Many people think of retirement as a threat, not an issue of interest. That is understandable because a detailed look at many pensioners in Nigerian society and the problems they face draws the attention of everyone. The challenges seem to range from social stigma, decreased strength, dwindling status, loss of usual monthly salary, declined health condition, problems associated with old age, physical disabilities, problems of securing residential accommodation and sudden death to mention but a few. The delayed payment of gratuity and pension benefits in Nigeria today has caused immense pain and death to many pensioners across the country, making retirement something those employees in both the public and private sectors fear. These difficulties are exacerbated by a lack of retirement planning and post-service condition management. One of the most pressing issues confronting average employees in most developing countries, including Nigeria, is retiring. According to research, employees in most public and private sectors are not appropriately exposed to pre-retirement training before being discharged from employment. Many firms, particularly in the private sector, have done little to educate their employees on the need for retirement planning (Abdullahi & Jummai 2014; Nweke 2014; Eremie 2015; Akpan 2017; Kida & Sambo 2018; Okolie 2021). As a result, many employees are left destitute when they retire. Today's retirees in Nigeria are more akin to beggars, particularly those who left the service without appropriate preparation for post-service conditions.



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Factors responsible for delayed pension and gratuity payments include but not limited to pension scams, low level of courage and non-remittance of pension deductions; corruption and embezzlement of pension funds; limited investment opportunities and higher administrative costs; lack of confidence in the scheme by potential contributors, arising from failures of previous similar government policies; the policies of pension reform and pension funds mismanagement; Lack of adequate capacity building in the pension industry with the personnel in the emerging pension fund industry showing a high degree of overlap with other business interests; the fear of continuity and sustainability of pension plans by successive governments, since change in governments sometimes leads to the jettison of previous programs and several years after the take-off, the scheme was characterized by general misconception and knowledge gap. The delayed in payments of pension and gratuity over the years has led to the death of many pensioners in Nigeria arising from their exposure to adverse weather conditions. Example, the Nigerian railway corporation pensioners welfare association alleged that 3,000 of its members had died since the pension crises started in Nigeria in 2005 (Nweke 2014).

There has been a lot written about Nigeria's old pension scheme, the reasons for its failure, and the flaws in the new pension system, and the effects of both the old and new pension schemes on pensioners' wellbeing (Fapohunda 2013; Ali 2014; Nweke 2014; Abdulazeez 2015; Fiiwe 2020; Okolie 2021). Despite these numbers of studies, no study exists on the effect of delayed payment of gratuity and pension on retirees' desire to maintain their status quo in Nigeria. To bridge this gap, this study examines the impact of delayed payment of gratuity and pension on retirees' desire to maintain their status quo in Nigeria.

Conceptual issues

Pension and gratuity

Pension “consists of lump sum payment paid to an employee upon his disengagement from active service” (Ozor 2006:3). Pension is “the amount set aside either by an employer or an employee or both to ensure that at retirement there is something for employees to fall back on as a guaranteed income for them or their dependants” (Toye 2006:8). Similarly, Fapohunda (2013:26) affirms that “pension is aimed at providing workers with security by building up plans that are capable of providing guaranteed income to them when they retire or to their dependants when death occurs”. Gratuity on the other hand is “a gratification paid to a worker based on the past service record of the worker. However, the worker should complete the minimum period of five years' service to be entitled to gratuity (Fapohunda 2013:27). Therefore, Pensions and gratuities are schemes which provide finances for the upkeep of the retired employees throughout the rest of their lives after work. It ensures that at old age workers will not be stranded financially.

Retirement

The concept of retirement was first introduced in the nineteenth and twentieth centuries, and while the conventional retirement age varies by country, it is typically between 55 and 70 years old. Every worker, whether in the commercial or public sectors, must retire from active service at some point. Whether or not a worker prepares for it, all workers must eventually reach a stage. According to Ali (2014:112), retirement is “a fluid concept because it connotes different things and is fraught with different experiences for different individuals. While some individuals view it positively and anticipate it with nostalgia, others dread its eventuality with great anxiety”. Thus, different workers have various perspectives about retiring. In the view of Garner (2009) cited in Akpan (2017:19), retirement refers to “the termination of one's own employment or career especially when one reaches a certain age or for health reasons”. Therefore, the causes of retirement or detachment may be due to poor health condition, old age, apathy, pressure or for public interest. Furthermore, many people elect to retire when eligible for pension payments. After retirement, on the other hand, thrives in an

environment that is both well-managed and well-coordinated inside and outside of the workplace. Akpan (2017:19) posits that “the attainment of the desired goal in retirement is enhanced through efficient and effective planning, continuous and sustained education and acquisition of post-retirement skills”. In the context of this study, retirement refers to the partial or complete disengagement from work or social life.

Retirement can take many different shapes. The literature in Nigeria has recognized three major types of retirement (Ali 2014; Abdulazeez 2015). There are three types of retirement: voluntary, forced, and mandatory.

Voluntary or self-retirement: This occurs when an individual, regardless of age, experience, length of service, or retirement regulations, decides to leave active duty for personal reasons. Rather than the company, the employee is in charge of this sort of retirement.

Compulsory or forced retirement: This is a circumstance in which an individual is forced or compelled to retire against their will and without enough preparation. It is frequently seen unfavorably because it is unplanned, with possible causes including inefficiency, old age, illness, and in-discipline. This form of retirement is in the company's best interests and necessitates a personnel reduction.

Mandatory or statutory retirement: This is the standard (or expected) form in which the individual has attained the statutory retirement age as defined in the establishment's service condition. In Nigeria, for example, civil servants have to retire at a certain age. For example, judges and lecturers have to retire at 70 or after 35 years of service.

Gratuity and pension

Employment benefits are programs that a business offers to complement cash remuneration and protect employees and their families from financial danger in the future (Amah 2010). According to Christoph (1999) cited in Umoh, Amah, and Wokocho (2014:70), employee benefits include but not limited to “retirement plans, childcare, eldercare, hospitalization programs, social security, vacation and paid holidays”. In the view of Fapohunda (2013:25), pension and gratuity are “two indispensable forms of employees’ solid benefits which has positive impact on employee discipline, loyalty and willingness to remain in the service of an employer, commitment to the attainment of job goals and concern for the survival of the organization”. Thus, gratuity and pension are the main retirement benefits enjoyed by workers after retirements.

According to Aminu (2001), gratuity is a payment of a lump-sum of money by an employer to an employee at the retirement from work as a show of gratitude for his/her time of long services. Gratuity is usually a once and for all lump-sum (Aminu 2013). Similarly, Abdulazeez (2015:6) conceptualize gratuity as “a once and for all lump-sum of money paid to an employee on retirement, upon death or on total incapacitation while at work”. It is worth noting that an employee who qualifies for a pension is also entitled to a gratuity payment. Unless he or she was specifically removed without benefits based on misconduct, he or she qualifies even if he or she owes money to the organization at the time of retirement. Therefore, gratuity is a package of appreciation to show gratitude to employees for their services, loyalty and commitment to the organization.

Pension on the other hand is simply “the amount set aside either by an employer or an employee or both to ensure that at retirement, there is something for an employee to fall back on as income. It is aimed at providing workers with security by building up plans that are capable of providing guaranteed income to them when they retire or to their dependants when death occurs” (Fapohunda 2013:26). Pension scheme is a social security guaranteed purposely to take care of individuals who have spent their lives working for the development of an establishment or a nation. It is assumed that,

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by virtue of their involvement in public service for instance, they have no other business where they have resources accruing to them as wage or extra earning. The Federal Republic of Nigeria's 1999 constitution, as amended, and the Public Service Rules (PSR) provide those employees in the public sector are prohibited from taking up any other paid job, with or without permission. That is in contrast to what is available in other countries, where most workers are paid hourly. However, this provision of the constitution and PSR does not apply to medical doctors, lawyers, lecturers or teachers. In the context of this paper, pension is conceptualized as a fixed amount other than wages or salaries paid at regular intervals to an employee or his/her dependants in consideration of his/her past services, age, merit, poverty or any loss or injury sustained. Thus, the motivation for pensions is to ensure that employees are not financially stranded in their later years.

As a result, gratuity and pension schemes ensure that retired workers have enough money to live on for the rest of their lives after they retire. Notwithstanding, the importance of pension payment at regular intervals or as at when due cannot be overemphasize, this is because according to Armstrong (2010) cited in Fapohunda (2013:26), pension “helps employees to readjust themselves properly into the society after leaving employment and it constitutes an important tool in the hands of management for boosting employee morale which may lead to efficiency and increased productivity of employees in particular and the organization as a whole”. Furthermore, pension help to minimize economic insecurity and social problem, it discourages labor turnover, it encourages employee motivation and savings culture.

Retirement plan

For retirees, retirement is not the end of the world. It is only the start of a new chapter in their lives. This stage can be thrilling, enjoyable, and gratifying something to anticipate and plan for. Retirement plan depends on some variables such as level of preparedness, socio-economic situation, age, health status and value system. According to Aminu (2013:200), retirement plan is “the actions, strategies and timing necessary for the achievement of a happy and successful retirement”. Some of the ingredients for a good retirement plan include but not limited to stating plan on the day you begin work, having adequate savings and investments, securing legitimate tax concession and using professionals in investing your funds. In the view of Akpan (2017:19), retirement from employment “poses two major challenges to the worker. First, a worker enjoys interpersonal relationship with his or her fellow workers while the service period subsists. Thus, the occurrence of retirement period becomes antithesis for such a worker to detach from his or her familiar environment and communion”. The fear of physical and mental alienation drives employees to engage in legal and illegal activities, particularly in Nigeria. In the circumstances of this paper, lawful acts may include applying for an extension of service duration through contract work, while illegal acts may include falsifying age and service records. Second, how is life outside of the public sector?

Therefore, for a retirement plan to be considered effective, it must allow individuals to engage in activities that will compensate for the loss of roles. That is because older adults are happier when they remain active and maintain social engagement. Amune, Aidenojie, and Obinyan (2015:234) affirm that “without activity, the human brain remains unexploited, unchallenged and deteriorates faster than it should. This implies that if the retirees are left without any activity, it will not only affect their social life but their health and total well-being”. Thus, a would-be retiree feels fearful about retirement. Furthermore, the worry is heightened since the Nigerian government has not adequately prepared to reintegrate retirees into society through a social safety net to assist in the resettlement and rehabilitation of the country's teeming retirees (Akpan 2017).

Pension legislation in Nigeria and issue of delayed payment: 2004 - 2021

On January 1, 1946, the pension ordinance was Nigeria's first pension program (Ahmed 2006). The National Provident Fund Act of 1961 took its place. The Nigeria Social Insurance Trust Fund (NSITF) took over the functions of the National Provident Fund in 1993, thanks to the NSITF Act of that year. The Acts that established these plans made it mandatory for private-sector companies and employees to contribute to the fund, while government-supported pensions were fully funded. The government may be regarded as fairly funding the private sector pension program. While private-sector pension plans are considered quite efficient, public-sector pension plans have turned into nightmares for retirees. Many people were said to have passed out and given up their spirits while waiting in huge lines for modest pensions. The smell of poverty, pain and anguish was everywhere to the extent that some pensioners could not believe that this could be their lot every month for the rest of their life after faithfully serving the nation for 35 years.

Prior to 2004, Nigeria's pension legislation or program was a defined benefit or Pay-As-You-Go (PAYG) system. The government bore 100% for the payment of retirement benefits. In effect, government has to make budgetary provisions according to the pension law No, 102 of 1979 every fiscal year to sustain the pension system. The pay-as-you-go system failed as there was mounting unpaid liabilities in excess of N2trillion. This was accentuated by increased in pension rates and mass retirement of workers without studying the implications for pension payment. Fapohunda (2013:28) posits that “despite several moderation of pension schemes, the management of pension scheme in Nigeria prior to 2004 was characterized by multiple and diverse problems such as dependence on budgetary provisions for funding, inability to determine the appropriate investment portfolio, accumulated arrears of pensioners, corruption and embezzlement of pension funds, lack of transparency and accountability, lack of effective regulation and supervision of the pension schemes in private sector, negative effect of inflation, poor record management and documentation processes by the pension board as well as the inability of the pension fund administrator to effectively carryout their duties in providing for the expected pension allowances as at when due”. These and other issues precipitated the 2004 Pension Reform Act, which created the new Contributory Pension Scheme.

The 2004 Pension Reform Act is entirely contributory, privately administered, and account-based. The National Pension Commission strictly regulates the system (NPC). The 2004 Pension Reform Act was intended to rectify the shortcomings of earlier pension programs. Despite the government's efforts and massive expenditure on the new pension scheme, this originated in Chile after ten (10) years of operation. The scheme was characterized by a low level of staff development and commitment to work on pension fund custodians and administrators, corruption and embezzlement, employee lack of confidence in the scheme due to previous pension management policies' failures, general misconception, and knowledge gaps.

Additionally, there is concern about the scheme's viability and continuity under future governments, as previous governments in the country have been known to cancel previous programs (Fapohunda 2013; Abdulazeez 2015). Nweke (2014) corroborates this opinion by referring to the government's unwarranted delay in paying pensioners and the mortality of retirees due to exposure to bad weather conditions. These obstacles resulted in the 2014 Pension Reform Act, which repeals the 2004 Pension Reform Act.

Okolie (2021) thinks that the 2014 Pension Reform Act is not without flaws. While workers' reluctance and skepticism about registering with Pension Fund Administrators has been decreased. Coverage has expanded, particularly in the informal sector, five (5) years after the 2014 pension form Act's commencement of operation. The scheme remains characterized by government access to pension funds and default on contribution remittance, particularly on state governors. The PenCom-introduced Irrevocable Standing Payment Order (ISPO) for the `payment of bond and pension deductions is not yet enforceable due to weak institutions and human factors, pension fund scandals at

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the Pensions Unit of the Office of the Head of the Civil Service of the Federation, delays in the payment of gratuity and pension due to states governors' access to pension funds with default in repayment, and widespread protests by pensioners in 2019 in some states, especially Lagos, Edo, Delta, Kano, Abuja, etc., with the slogan 'Save-Our-Soul' and 'Pay-us-our-money'. Way forward to overcome delayed payment of gratuity and pension include but not limited to the provision of adequate welfare scheme for pension administrators, stringent measures to eliminates the administrative flaws, employment and training of more workers to handle the ever-increasing number of pensioners in recent times and conducive and equip offices with adequate biometric data capturing machines across the country.

Post-retirement conditions in Nigeria

Pensions in Nigeria have become one of the most contentious issues in the country, with millions of retired employees living in abject poverty and neglect due to the country's failing pension system. It seems as a lot need to be done on the 2014 pension reform Act as experience of other countries seem to suggest a strong regulation and oversight body is required to deal with the major challenges enumerated. The laudable objectives of the 2014 pension reform Act have been marred by erratic and irregular payment of pension and gratuity to retirees. Corroborating the above fact, Kida and Sambo (2018) and Fiiwe (2020) noted that retirees no longer received payment of the pensions and gratuities as at when due. They further posited that the crisis generated by this development has necessitated the suffering, collapse and sudden death of pensioners across the nation. The Nigerian Railway Corporation Pensioners' Welfare Association (NRCPWA) umbrella body claimed that over 3000 of its members have perished since the pension issue began. The majority of them died while awaiting payment of their 20-month pension arrears (Nweke 2014). The Nigerian Union of Pensioners raised concern in 2018 about the delays members face whenever pension rates are revised through circulars that have never been paid for one or two years (Kida & Sambo 2018). In recent times, delayed payment of pension and gratuity entitlements and misappropriation of pension funds have resulted in the suffering and sudden death of many pensioners across the country (Fiiwe 2020).

According to a study conducted by Iyortsuun and Akpusugh (2013), most employees do not save for retirement due to their employers' insufficient compensation packages, and retirees experience difficulties as a result of their lack of preparedness for retirement. As a result, many people, particularly those who never considered retirement as a need, sometimes appear disappointed, depressed, and frustrated when they find themselves abruptly retired. Numerous perks are available to retirees who have made prudent retirement planning decisions. Several benefits that retirement planning provides for retirees include; 1) It ensures adequate health in later years. 2) It gives an acceptable level of security for post-retirement life. 3) It facilitates the transition to an entirely new way of life. 4) It alleviates financial concerns and burdens. 5) It serves as a source of distraction by alleviating the stress of idleness in the latter days or years.

Similarly, a lack of retirement preparation might result in the following issues: 1) A state of financial distress and concern. 2) Deterioration of health, strength, disposition, and general well-being. 3) Isolation from colleagues. 4) Premature death within the first several years of retirement. 5) Distressed and boring state. 6) A sense of dissatisfaction and a life that is unfulfilled.

As a result, the organization policy's importance of being prepared and planning retirement cannot be overstated. As a result, it becomes vital to plan how they want to spend their retirement and emotionally and financially prepare themselves. In a nutshell, retirement planning and planning are inextricably linked. With proper planning, a retiree can be certain of a good post-retirement life and the ability to deal with some of the inherent obstacles of retirement.

Preparing for retirement

While most individuals look forward to retirement with anticipation, many are disillusioned once they reach this stage of life. Employers may offer pre-retirement planning programs to educate employees on the kinds of adjustments that may be necessary upon retirement. These adjustments may include adjusting to a lower, fixed income and coping with the challenges associated with diminished prestige, family conflicts, and idleness that retirement may bring. Pre-retirement programs should normally include seminars and workshops on pension plans, health insurance coverage, social security and medical care, personal financial planning, wellness and lifestyle choices, and retirement transition. That corroborates Kolawole and Mallum's (2004) argument that retirement pensions are often one of the major components of public interventions for retired public sector officials. Except in exceptional circumstances, obligatory retirement is meant to be a pleasant change in an employee's life. Pension schemes are functional in western countries and some planned economies worldwide, such as America, the United Kingdom, Britain, Russia, Cuba, Malaysia, Yugoslavia, and others. For example, most retired workers live comfortably on their pension allowances without jeopardizing their family's economic stability. These countries' governments made enough financial and infrastructure provisions to soften post-service situations.

Despite numerous reductions in worker benefits in Nigeria, the pension system has been plagued by open corruption, theft, mismanagement, and cash diversion over the years. More specifically, pension and gratuity delays have grown prevalent, resulting in immeasurable misery, dissatisfaction, and the unexpected death of retirees. As Nwajagu (2007) note out, the uncertainty associated with retirement life concerns serving personnel to the point where some fake their age and career records to delay retirement. This dilemma is exacerbated further because the Nigerian government does not even prioritize workers' post-retirement welfare. Thus, in addition to the government pension plan for epileptics, workers should make every effort to construct their pension plans, evaluate their sources of income, develop friendships (social networks), and establish businesses in their area of specialization.

Preparing for retirement means anticipating the inevitable - the time in one's life when one's active duty ends. That is why Weihrich and Koontz (2003) define planning as the process of examining the future of a subject, determining what needs to be accomplished, and then designing a strategy for accomplishing the aim. Retirement is a significant life change that should be anticipated. Retirement decisions are influenced by both micro and macro-economic variables. At the micro-level, personal variables dominate the decision to retire, whereas, at the macro level, factors beyond an individual's control have the most impact on the decision to retire. Berry (2010) cited in Iyortsuun and Akpusugh (2013) found four micro-level characteristics that influence the decision to retire in. These include "money, health, caregiver responsibilities, and family," while at the macro level, he cites "an aging population, the pension system, and economic transformation at the macro level." That corroborates Bohlander and Snell's (2007) argument that the primary determinants determining an individual's decision to retire are their own financial situation and health, as well as the degree to which the individual derives satisfaction from work. Additionally, they argue that workers choose to retire early for various reasons, including appealing pension benefits, the possibility of future layoffs, and an inability to satisfy job standards.

According to Iyortsuun and Akpusugh (2013), employees must prepare, adopt, and implement methods to reduce the pain and challenges connected with retirement. Because there is no way to avoid retiring save death, it is advisable and proper to begin planning as soon as one has employment. As a result, strong foundations or tactics must be created or implemented to reduce the pain of retirement to assure a comfortable landing and eliminate concerns. The monthly contributing pension program is one of these techniques, which is mandatory in both the public and private sectors in Nigeria. Employees are expected to open a retirement savings account in their name with any reputable pension fund administrator of their choice as part of this strategies.

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Other strategies include maintaining a personal savings account or a fixed deposit account with a bank to enable an employee to save for retirement, investing in a small sideline business or skill acquisition and training, ownership of legitimately acquired property, and investment in shares and stocks. Other plans are establishing a business in one's area of specialization and purchasing an insurance policy (sickness, accident, loss of property), and others.

Challenges of retirees in Nigeria

Physical disabilities and ageing: According to researchers such as Ali (2014) and Okolie (2021) certain challenges are related to old age, notably for employees who may not have planned for their retirement. These issues include intellectual, physical, behavioral, emotional, and spiritual origins related to their feelings about retirement. i) Cognitive Issues: Confusion, difficulty solving problems, analytical paralysis, tunnel vision, inability to make decisions, and other symptoms. ii) Physical Issues: Examples of physical issues include a lack of energy, anxious appearance, stiff posture, and hyperactivity. iii) Behavioral Issues: Ignoring others' sentiments, retreating socially, abruptly altering management style, and being careless are all examples of behavioral issues. iv) Emotional Problems: Low spirits, inability to respond to encouragement, and a loss of achievement-oriented motivation. v) Psychological Issues: Initial shock and fury, low morale, low self-esteem, low confidence, stress, boredom, indifference, anxiety, and a general sense of unhappiness.

According to Okolie (2021) the intensity and impact of these issues on retirees are dependent on their proximity to retirement. As the retirement date approaches, the retirees' issues become more intense. He says that the worst part about retiring and/or growing old is not being sick but experiencing demeaning stares from people. The non-looks old and acts convey that the elderly and retired are unsightly, worthless, worn-out, and out of the way. These displays of contempt result from widely held preconceptions about the elderly, including retirees. According to Ali (2014), this group of people is considered unfortunate since they are poor, secluded, neglected, unwell, senile, and depressed. Similarly, Akpan (2017) discovered that older people often exhibit very obvious characteristics that set them apart from the general population. These characteristics include: i.) having aged bodies; ii.) being relatively powerless; iii.) their behavior and traits are stereotyped and regularly depreciated and devalued by the dominant group; iv.) most importantly, the retired and elderly are frequently singled out for differential and unfair treatment because of their age.

Only a portion of the ideas is based on actuality. However, for the most part, these preconceptions are generalizations that do not apply to the bulk of Nigeria's elderly and retired people.

Planning and management stage: Many people have experienced psychosomatic problems due to their lack of preparation, and some have developed psychophobic reactions (Ali 2014). Today, Nigerian civil officials in both the public and commercial sectors regard retirement as one of the most difficult issues. According to IBTC Pension Manager (2008), retirement planning is a difficult task for people worldwide. Retirement planning might be more difficult for Nigerian civil officials, who are particularly challenged by low income and savings, as well as a large family and societal duties. The size of the family, polygamy, and the added responsibilities of the extended family, as well as poor access to medical services, are some of the societal concerns that impact proper retirement planning in Nigeria.

Reduction in income: Retirees' income is drastically reduced when they retire. The delay in the distribution of retirement benefits such as pensions and gratuities may exacerbate this drop in income (Okolie 2021). Indeed, in Nigeria, particularly in the public sector, it is general knowledge that pension payments to retirees are not adequately coordinated. There have been numerous reports of retirees passing away while waiting to receive their pension benefits. It's also very uncommon to see retirees return to their former workplaces (especially a day or two after salary payment) to beg money from their former co-workers. This uncomfortable scenario may have arisen due to a delay in receiving their retirement benefits, as a result of insufficient pre-retirement planning, or as a result of

both circumstances. As a result, some retirees engage in bad behaviors as defense strategies. For example, drinking, smoking, gambling, and so on, possibly to compensate for their demeaning lifestyle.

Domestic violence: Another issue that retirees face is domestic violence. Domestic violence in this context refers to one partner's power over the other in a dating, marriage, or live-in relationship. Physical, sexual, emotional, and financial abuse and threats and isolation are all used to maintain power. Retirees encounter numerous challenges when it comes to ending abuse in their lives. Although psychological and economic captivity, physical isolation and lack of social support, religious and cultural norms, fear of societal judgment, threats, and intimidation over custody or separation. As a result, pensioners are susceptible to domestic abuse inside their own families.

Corruption in the pension scheme: Despite various reforms to workers' retirement benefits in Nigeria, the pension fund has been plagued by open corruption, embezzlement, mismanagement, and fund diversion over the years. Corruption in the pension system has reached epidemic proportions. Embezzlement and corruption come in various tints and colors (Ali 2014). He further disclosed that just 70, 657 of the 141, 790 pensioners on the government payroll were real and that the police pension officer allegedly received N5 billion monthly as pensioner's claim against the actual requirement of N500 million. She also exposed the recent multi-million pension fund scams that have engulfed several sectors of Nigerian society, including the pension section of the office of the Federation's Head of Civil Service, PENCOM, and the Nigerian Police Pensions. According to a recent National Assembly public hearing on pensions, six (6) civil servants misappropriated N24 billion from the police pension funds. The same individuals are accused of being complicit in the fraudulent transfer of another N24 billion from police pension funds, likewise, N189.8 billion. Since 2010, pounds have been recovered following the use of biometric data capturing on seniors (Abdulazeez 2015). Millions of retirees who served this country have spent their later years suffering due to the selfishness of a few uncultured public officials.

Sudden death: Another concern that comes to mind when thinking about retirement challenges is sudden death in service or during retirement. The contributor's balance on their Retirement Savings Account will be transferred to their known beneficiary stated in the will: their spouse, children, next of kin, or the administrator of their estate as established by the Pension Act if they die while employed. The same rule applies to retirees who began receiving benefits due to a planned withdrawal. And they are not made to the beneficiaries of retirees after they die.

Anxiety about residential home: Another issue that retirees in Nigeria encounter is finding a home into which to retire. Some retirees who do not own their building or house and instead live in rented apartments, which they must move when they retire, are sometimes subjected to societal scorn or face financial issues in paying their house rent (Ali 2014). Also, according to Okolie (2021), many retirees in Nigeria reach retirement age without owning a home. This issue has continued since Nigerian employees are paid modest wages, making it impossible to invest in a residential residence. Between 35 and 60 years, an employee should strive to acquire at least a retirement building. Abdulazeez (2015) further argues that paying rent to landlords during one's retirement years is not a good idea. As a result, having a place to retire offers individuals a sense of security and elevates their social position.

Other challenges: Retirees often find it difficult to break their previously established spending patterns after leaving the workforce. Other challenges facing retirees include budgeting for time and using time wisely, and concerns about what to do in retirement to maintain the respect of immediate family members as they did while in service. Besides that, difficulties arise from reducing the social network due to loss of contact with office friends, coworkers, and clients, and society's negative perception of retirees as people who have squandered their youth.

Post-service strategies/options

Most employees try to defer retiring because they fear the unknown and want to keep the status quo. On the other hand, retirement is a "necessary ill" that they cannot avoid. As a result, every striving worker in the twenty-first century should be aware that the Nigerian economy is confronted with significant challenges. That necessitates the development of pre-retirement planning strategies to combat and manage the impending pains and problems (misery and hardship) associated with retirement. Olatomide and Akomolafe (2012) suggest that transition allows people to take stock of and take control of their life and that coping with change effectively entails examining one's environment, self, support, and coping techniques. The following are some post-service activities that retirees might consider to have a comfortable post-retirement life:

Establish business in own area of specialization: Retirees should find and create a post-service/retirement business appropriate for their lifestyle. Identifying and creating a business in one's field of expertise or in an area where the retiree's skill level is higher could be a viable option after retirement (Ali 2014). Running consultancy services or commercial undertaking in your field of specialization; producing books and articles; editorial consulting; pursuing hobbies as a source of income; and so on are examples of such employment.

Invest in small side-line business: That is what is commonly referred to as a tiny business. Running a modest business on the side while working full-time for the government or statutory entities is known as a side-line business. That could include selling goods in retail outlets; operating restaurants, clinics, or hospitals; soap manufacturing; nylon manufacturing; garri manufacturing; computer services; home laundry services; creating and producing children's clothing, cribs, and toys; veterinary services; snail rearing; table water business; transportation business; cake baking production; ice block production; chairs, canopies and plates production; decoration, beautifying, and arranging of foods for parties; gardening; maintaining poultry, piggery, and goatry; the establishment of schools; establishing a recreation business; foam production business; aquaculture farming; selling of farm products; musical and choral band; editorial work; consultancy firms; land surveying; telephone operation; operating a barbershop and hair-dressing; tailoring and plumbing business; plastic crushing; fish farming; grasscutter rearing; palm kernel oil production; and others. These are professions that not only generate income and give job opportunities for the youth but also can promote economic development and progress. A little additional income from a sideline company may go a long way toward making life more pleasant in retirement. Once the structures are in place, the retiree can fall back on them, adjust them, and use them to test and pre-occupy the body and mind.

Bank fixed deposits: An investor invests a large sum of money in a bank fixed deposit for a certain length of time, such as five years or more, at a fixed rate of return. At the maturity of the deposit, the investor receives the principal plus interest. Bank fixed deposits are a traditional savings account available to the typical investor. Investing in a bank fixed deposit is intended to improve your financial security in retirement.

Open a retirement saving account: Employees in the public and private sectors are recommended to establish a retirement savings account with any Pension Fund Administrator (PFA). The amount an employee will get upon retirement is put into retirement savings account jointly by the employee and the employer, so that when the employee retires, he or she will have something to fall back on as a guaranteed income for himself or his dependents. One of the benefits of the Nigerian contributory pension plan is that individuals can register individual Retirement Saving Accounts (RSAs), which accumulate contributions until retirement.

Invest in stocks and shares: Investing in stocks and shares may provide significant income and other benefits. A certificate issued by a firm is called stock or share. Hence, shares are paper commodities representing a company's ownership rights. As a key participant in the capital market, the Stock Exchange offers stock and share buying and selling services. According to Ross, Westerfield, and

Jordan (2002), a Stock Exchange is an organized market having a physical location and facilities for trading stocks and shares through professional intermediaries known as stockbrokers. A retiree's investment in stocks and shares is intended to provide a stable and consistent income stream.

Real estate' investment: Individually held landed properties are the subject of real estate investments. Real estate is a great place to invest since it appreciates over time. On a long-term basis, it is not an exaggeration to argue that real estate offers a higher return on investment than other assets on a long-term basis. As a result, investing in real estate to assure substantial financial appreciation throughout retirement is recommended.

Hobbies: It's a good idea to nurture hobbies and build areas of interest that might help retirees socialize. According to Iyortsuun and Akpusugh (2013), a retiree's health and well-being should be the most crucial priority. Sports athletics, painting, traveling, gardening, fishing, sewing, photography, and hunting, to name a few, should be of interest to retirees and should be pursued. These pastimes are intended to provide financial assistance and a great deal of joy and satisfaction throughout retirement.

Retirement annuity: An annuity is a type of life insurance contract in which the retiree (annuitant) pays a lump sum to the life insurance company when they retire. The life insurance company agrees to pay the retiree a monthly annuity for a set length of time or the rest of his life. When a worker retires and receives entitlements, it is recommended that he invest a significant portion of his earnings in an annuity. Because retirement necessitates a considerable shift in lifestyle, a financial plan must be devised to fit the new standard of living with the retiree's income.

Participation in politics: In politics, retirement may increase retirees' active engagement at the local, state, and national levels. Retired politicians are common in Nigeria. For example, the late Adebayo Adefarati (former Governor of Ondo State) was a retired secondary school principal before embarking on a political career, likewise, Olusegun Obasanji (ex-Nigerian President). David Mark (ex-Senate President), Prince Olagunsoye Oyinlola (one-time Governor of Osun State), and others are retired military officers. They branched out into politics after leaving the military something they would not have been able to do while serving (Okolie 2021).

While numerous theories may suit this type of conversation, structural-functionalism provides us with a heuristic tool for debating the paper's fundamental problem. The structural-functionalism theory is based on Talcott Parsons's (1967:467-488) work, which asserts that every system has four functional imperatives. These are (i) adaptation, (ii) achievement of objectives, (iii) integration, and (iv) latency.

Adaptation: The system must have some way of adapting to changes from the internal and external environment in particular being able to adjust public policies to suit emerging political and socio-economic conditions. By implication, retirees' ability to survive in their external environments is contingent upon their access to adequate housing, adequate education for their household members, adequate clothing for their household members, and their ability to meet other social responsibilities and adapt to the pressures of the socioeconomic environment. Thus, besides gratuity and pensions which are not paid regularly, retirees will be glad if they have access to health insurance and low-cost housing. This is necessary because the nature of the Nigerian economy have made it difficult for many workers to build their own house before retirement (Nweke 2014; Fiiwe 2020).

Goal attainment: This means that every system must define its objectives and to mobilize requisite resources to attain its goals. "The political structures and systems established in the society, in which the civil service is a part have mandate of setting target goals for the society. These goals are geared towards the maintenance of descent life styles and the dignity of human person. Thus, it is the government's responsibility to preserve and provide for the dignity of life of retirees and civil officials and provide for pensioners' welfare through the construction of an effective pension system with adequate funding to sustain the system. " However, it appears that the Nigerian government has fallen

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short of these stated objectives. Additionally, the government has failed to defend labor dignity in Nigeria. As a result, the civil service is prone to corruption. Government failures in this area have harmed retirees' ability to accomplish social goals and obligations that would have enabled them to maintain contact with colleagues for the social bonding necessary to maintain psychological and social health (Fiwe 2020).

Integration: This refers to establishing and organizing a set of relations that will coordinate the unity of its parts. That is, to ensure and maintain interdependence of the units. Therefore, it is the responsibility of government to “regulate the interrelationship of its component parts. Government’s failure to protect the fundamental human dignity and other set goals triggers off among individuals, behavior which run contrary to social order and social justice” (Nweke 2014:25). For instance, crimes of various magnitude, civil service corruption, age falsification, inefficient documentation processes, particularly by the pension board and pension fund administrators, and embezzlement of public funds are examples of anti-social behavior. That has also affected the pension system and the funds set up for it in recent years.

Latency: This refers to pattern maintenance and tension management which is simple term means continuity. The system must ensure and socialize its new ones of the rules, customs and cultures as old members pass away for young to functionally continue. Thus, “a system must furnish, maintain and review the motivation of individuals and the cultural patterns that create and sustain this motivation. Through education, social norms and values are inculcated into the lives of members of the society. Thus, among the yet to be civil servants, these inculcated values affect them adversely. Anomic situations are thus created; there is high rate of corruption in the system as a coping strategy for survival. The post-retirement life becomes uncomfortable since retirees found it difficult to meet up with the provision of their basic needs and they are deprived access to good social welfare provisions or packages which have far reaching influence on their livelihood” (Nweke 2014:259).

The structural-functionalism theory is relevant to this paper because it can justify a system that is incapable of dealing with external situational exigencies; defining and achieving its primary goals; regulating and maintaining the interdependence of its parts. It also can be incapable of maintaining, furnishing, and renewing the motivation of individuals and the cultural patterns that create and sustain the motivation would make it difficult for retirees to meet the. All of this results in pension fund embezzlement, bureaucratic bottlenecks in processing retirement benefits, government delays in paying pensioners and gratuities to pensioners, and sudden death resulting from pensioners being exposed to adverse weather conditions during screening exercises and protests.

Conclusion

The history and practice of pension systems in Nigeria have been marked by numerous issues, which the changes that ushered in the Pension Acts of 2004 and 2014 appeared to address. The passing of the Pension Reform Act of 2014 created a framework for more effective and efficient pension administration in the public and private sectors. Still, it also made a pool of long-term investment funds that have already aided the nation's economic growth. As a result, the success of the 2014 Pension Reform Act is largely dependent on the sincerity, commitment, and collaboration of all stakeholders. That includes the government, which establishes the regulatory framework and is the largest employer of labor, the Nation Pension Commission (PenCom), the Pension Fund Administrator (PFA), the Pension Fund Custodian (PAC), employers, and individuals who pay into the system. That is because six years after the 2014 Pension Reform Act went into effect. There is little evidence that the scheme is leading the country in the right direction, as delays in payment of gratuity and pension have resulted in retirees' dwindling status, declining health, and sudden death due to their exposure to harsh weather conditions. Low level of staff development and commitment to work on pension fund custodians and administrators, corruption and embezzlement, employee lack of

confidence in the scheme due to previous pension management policies' failures, general misconception, and knowledge gaps are factors responsible for delayed payment of gratuity and pension in Nigeria.

Based on the foregoing, this paper therefore recommends as follows: 1.) Government and private employers of labor should provide regular pre-retirement training to their employees to spare the country the disgrace of seeing their retirees become homeless on the streets or die young merely months or years after retirement. 2.) Regular medical check-ups should not be overlooked since retirees may be susceptible to age-related illnesses like hypertension, obesity, diabetes, osteoarthritis, and others. 3.) The government should create a National Public Services Rehabilitation and Vocational Center to provide various skill acquisition training and counseling programs for workers who are set to leave active duty. Furthermore, the government should require and authorize the center to honor retirees who have demonstrated actual accomplishments and good character. That will motivate all public servants to work diligently, loyally, and honestly. 4.) Employees and retirees should be encouraged to invest in stocks and real estate so that when they retire, they may supplement their pension income with additional income. 5.) The Nigerian government should meet pensioners' expectations by paying gratuities and pensions on time. There is little question that developing a solid and functional pension program in Nigeria would benefit the entire system, but the government should lead the way. 6.) Pension funds management organizations that steal pension funds shall be penalized in line with the penalties for dishonest pension funds managers set out in the Pension Reform Act of 2014. 7.) The government should make a concerted effort to offer health insurance and low-cost housing for retirees who could not establish their own homes before retirement due to the country's economic situation. That will go a long way toward addressing the issues of poor social status, failing health, and unexpected death.

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