

Contemporary Issues and Entrepreneurship Alternatives for Managing Post-Retirement Conditions in Nigeria

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Abstract

Retirement in Nigeria has been a dreadful, devastating and a tension provoking phenomenon. This is so because of certain hardship experienced by retirees occasioned by delay and nonpayment of gratuities and other pension benefits after retirement. Therefore it is incumbent on workers to begin to put plans in place towards their retirement as soon as they gain appointment; to avert the attendant's risks and other unpleasant conditions associated with retirement. This paper stressed that a blissful and enjoyable post retirement life requires that certain sustainable provisions in-terms of capital and income generating measures be put in place prior to exiting, the work force who ignores this caution do so at his/her own peril. This paper also made attempts to identify and discuss extensively on the entrepreneurship alternatives and approaches for managing post-retirement conditions. It advised teeming Nigerian workers on the need to embrace entrepreneurship alternatives available in line with their areas of interest/specialization; so as to enjoy a healthy and blissful post-retirement life.

Keywords: Pension, Retirement, Counseling, Post-Retirement, Retirement Plan, Pension Benefits.

Introduction

Governments all over the world restrict working age of workers in public and private service to allow for the appointment of young, able bodied and gallant youths to replace ageing labour force for enhanced efficiency and productivity. It is necessary that workers should put plans in place towards their retirement to guard against unprepared retirement conditions. Thus, if a worker is retained beyond the retirement age his performance runs counterproductive with the objective of the organization. In Nigeria, the statutory retirement age in public service is pegged at sixty years (60) or thirty five (35) years of continuous active working service before he is retired. Except in the case of judicial officers and academic staff of tertiary institutions where the retirement age harmonization Act of 2012 put it at 70 years and 65 years respectively. This is because of the general believe that in those essential sectors the "older, the wiser". And in the case of private sector, the retirement age ranges between (55) years and 60 years of service and the 35years of continuous and unbroken service is silent in this case. There are other retirement criteria such as low productivity, disloyalty and divided interests, downsizing, right sizing, labour redundancy, rationalization, stood off etc which are often introduced has added to the negative perception which an average Nigerian workers have about retirement.

It is worthy of note that labour in the private and in the public sector no doubt have contributed in no small measure to the socio-economic development of Nigeria in accordance with the views of (Fashoyin, Oyekanmi and Fapohunda, 1985, Ogunlesi, 1985, and Gleen, 2005).

Retirement in Nigeria has been a cause for concern because of the associated hardship accompanying it. It goes with problems that seem to range from sudden death, poverty, and anxiety about accommodation, lack of employment, status symbol decline, and senility, failing health conditions, ageing and physically challenged conditions. Delay and non-payment of gratuities and pension benefits has culminated into dimensions of hardship and sudden death to the retirees, thus making retirement to be very dreadful and devastating phenomenon to the workers.

Failure to plan for retirement and management of post-retirement conditions have compounded the already tensioned provoked atmosphere, this is because many enter into retirement without any plan and pre-retirement counseling. The need for employers of labour to counsel the labour force on retirement planning is highly imperative so as to avoid worker entering into retirement as a destitute and hopelessly. Retirement without planning in Nigeria today have turned some retirees into beggars and destitute in the streets.

Today, the need to cope with retirement issues should be considered as critical by both employees and employers of labour. In Nigeria the delay and non-payment of pension benefits is becoming disturbingly high therefore it has become necessary for workers to begin to take retirement planning seriously and early in their career because of unforeseen circumstances like, high inflation rate, unstable exchange rates, unemployment, economic downturns to maintain high standard of living and keep poverty at bay at post retirement years.

Objective of the Papers

The need to plan and prepare for post-retirement life cannot be over emphasized, this papers is aimed at creating awareness among young workers still in active service to show more and serious commitment to retirement issues. Against this back drop the papers seek to address the issues necessary for effective retirement plans that can be put in place for managing post-retirement conditions in Nigeria. No doubt this paper is geared towards proffering solutions to the teeming challenging issues that bedevils workers when they retire.

Conceptual Review

Retirement has been defined by many scholars from different perspectives. According to Manion (1976) as cited in Akinade (1993) retirement is defined as a complex social phenomenon of modern industrial society that touches the life of almost everyone in the society. It is the first step that convincingly defines a person as old. It is withdrawal from customary activity in business, industry or service.

According to Buckley (1974) retirement is defined as an inevitable stage of ageing where the individual gradually disengages from the main stream of active work, social work, and is eventually replaced with younger ones. Cole (1997) in his opinion refers to retirement as the time employee reaches the end of his working life Shea (1991) and Maisamari (2005) stated that retirement is an aged long practice in both the private and public service.

According to Oniye (2004), he stated that retirement comes, and it tends to emphasize separation from job with concern for the future. Basically retirement actually means a period of withdrawal from active job of one's means of livelihood. The concept of retirement is a phenomenon that means different things to different people and it exposes different people to different experiences. According to Egbuta (1991) retirements is the withdrawing of individual from gainful employment in the later part of his or her life in order to enjoy a period of leisure till death. According to Omoresemi (1987) as captured in Olatunde and Onyinye (2008) retirement is a real transition, transition in the sense that is the passage from one place, stage of development to another. Aina (1992) stated that layoffs, retirement and

dismissal are indefinite separation from the payroll due to factors such as loss of sales, shortage of raw materials, seasonal fluctuation, production delay or due to major administrative shake ups as have been witnessed in public service in the decade of 1980. Experiences have shown overtime that retirement life does not pose the same experience for everyone. This is because while some individuals view it positively and anticipate it with nostalgia, others on the other hand, view it with negative perception and dread, eventually with great anxiety.

Forms of Retirement

According to (Omoresemi, 1987, Denga, 1996, Nwajagu 2007, Okechukwu and Ugwu, 2011). There are three types of retirement in Nigeria.

1. Voluntary or Self Retirement

This type of retirement happens when an individual worker consciously takes a decision to quit active service for reasons best known to him irrespective of age, experience, length of service or retirement policies. When this happens the decision to quit the job rests more on the employee rather than the employer.

2. Compulsory or Forced Retirement

This is a situation where an individual worker is forced or compelled to quit the job against the individual's expectation and when he has not thought of it. It is usually accompanied by hardship and anxiety since it is unplanned. The reasons identified for compulsory or forced retirement according to Okechukwu and Ugwu (2011) among others include inefficiency, old age, indiscipline, ill health and negligence of duty etc. The decision for this type of retirement is in the best interest of the organization since it is a means of pruning unproductive workers.

3. Mandatory or Statutory Retirement

This is the conscious and normal or expected form of retirement in the sense that the individual worker has attained the age limit in accordance with the specification in the condition of service of the establishment. In Nigeria for example, the retirement age for civil servants is pegged at 60 years or 35 years of unbroken service, while those others such as judges and academic staff of tertiary institution are pegged at 70 years and 65 years respectively.

Benefits of Pension in Retirement

According to Wikipedia (2011), it was stated that in the past, low life expectancy and the absence of pension arrangement means that workers continued to work until death. But with the improvement in the health care and life expectancy rate as well as available labour supply, there have been an enthronement in the system which now stipulates the standard age of retirement and provide pension on retirement. As captured by Toye (2006), pension simply means the amount of money set aside either by the 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 for their dependants. Pension and gratuities as we know is simply a scheme or provision which provides for the finances for the upkeep of the persons retired throughout the rest of their lives after retirement.

Payment of pension benefits to workers after retirement in the public service solely rest on government with the hope that at old age, a retiring staff will not be left as destitute and financially stranded. The aim is to enable the retired worker to be readjusted and integrated properly into the society after quitting employment. Ali (2014) shows the formula for pension

and gratuity calculations in Nigeria based on percentage of final salary in respect of pension since 1992, and it currently in use today.

Today, the pension and gratuity have undergone several reforms to redress the corruptible practices of the scheme in the past with the aim of assisting the pensioners to cope with the changing economic and political upheavals in the country. This gave rise to the enactment of the pension reform Act in June 2004 and became operational in July 1st, 2004.

The introduction of the Contributory Pension Scheme (CPS) in Nigeria, in 2004 originated from Chile. Under the new contributory system, the employees are expected to contribute a minimum of 7.5% of their basic salary, housing and transport allowance and 2.5% for the military. On the other hand employers are expected to contribute 7.2% in the case of the public sectors and 12.5% in the case of the military. In the same vein, employees and employers in the private sectors are expected to contribute a minimum of 7.5% each on both divide.

The CPS usually offers the participants ample opportunity to open their individual Retirement Savings Account (RSA) whereby contributions are accumulated gradually and steadily till retirement. In another development the CPS also permit members to make additional percentage of their salaries on voluntary basis if they so desire into the capitalized account. In order to closely monitor the account of RSA holders and to run a close and regular check on it to detect errors and correct those errors as quickly as possible, it is a requirement that pension fund administration (PFAs) provide regular and periodic statement of account to the RSA holders. The prevailing contribution Pension Reform Act 2004 has a central regulatory body, known as pension commission (PENCOM). The function of PENCOM is to oversee all pension related matters nationwide and to ensure uniform operations.

According to Fapohunda (2013) it was observed that the management of pension scheme in Nigeria despite several moderation over the years has been witnessing monumental and dimensions of problem such as inadequate funding, poor documentation and proper filling in the pension office, accumulated arrears of pensioners, inability to determine the appropriate investment portfolio, lack of accountability, corruption and embezzlement of funds just to mention but a few.

These diverse of problems have instill fear in the mind of workers, who are not too confidence about the operations of the CPS. Their fear and lack of confidence stemmed from the experience arising from the failures of previous similar government policies.

The fear of continuity and sustainability by successive government as perceived by the retiring officer added to their non acceptance of the programme since it is a common practice in Nigeria that every new government usually jettison previous programme midway for a new one.

Documentation Requirements for Processing Pension Benefits

In order to enjoy efficiency in service delivery of PENCOM, it is necessary to educate the intending retirees on the need to preserve all employment documents necessary for processing pension benefits upon retirement. Such document that are always required by the appropriate pension office before pension benefits are processed and paid and as at when due (Ali 2014) includes the following.

1. Dully completed pension form (in triplicates) signed and stamped.
2. Original three (3) copies of computation sheets.
3. Certified true copy of the up-to-date records of service reflecting:
 - Name of the officer
 - Date of entry into service

- Date of birth
 - Date of first appointment
 - Date of last promotion
 - Date of confirmation
 - Records of transfer/secondment
 - Record of spouse and children
4. Notice of retirement and acceptance showing clearly the effective date
 5. Evidence of (if applicable)
 - Merging of service
 - Official change of name
 6. Statement of indebtedness or non-indebtedness issued by the organization (Or clearance form)
 7. Letter of administration (In case of death)
 8. Departmental file (In case of death) and
 9. Three (3) passport size photograph (Or as may be reviewed from time to time)

Retirement Plan

For a blissful, enjoyable and stress-free post-retirement life, it is expected that certain sum of money or income generating undertakings be put in place prior to retirement. This is because the economic situation in Nigeria has become seriously challenging. Therefore the need to put certain planning strategies in place to enable the retiring officer to maintain higher standard of living and put inflation at bay.

The issue of retirement plan should be paramount to Nigerian workers considering the fact that “take home pay cannot take one home” in this context. A good retirement process starts with planning, therefore it helps to prepare the retiring officer gradually to cope with the challenging of retirement and avoid frustration that accompanying those challenges.

As noted by Eyibe and Eyibe (2000), it was stipulated that planning ahead will enable individual to look at all the factors that have bearing on life in retirement and pursue the realities from the onset.

Not everyone is endowed with the instinct to plan and so having the mind to plan at all is enough social security when retirement sets in, this by extension makes the future a better place to live and the chances of longevity of the retiring officer is guaranteed. In retirement life is more meaningful when a plan is put in place in that the retiring workers is more and better equipped to face retirement associated stress and challenges such that the retiring officer will not solely rely on traditional family arrangement for livelihood, income as well as other social security provisions at retirement.

Some workers on their own put up a pension plan before the epileptic government pension plan. This proactive plan enables the retiring officer takes step to look inward in dealing with retirement issues in view of enjoying blissful post retirement life. According to Kolawole and Mallum (2004) it was observed that where adequate planning are nursed, frustration and anxiety in retirement will be eliminated. Experience have shown that treating issues of planning with levity is usually accompanied with some avoidance problems in post retirement life, such conditions includes among others are;

- State of boredom
- Anxiety arising from poor financial conditions
- Distress, financially and emotionally.
- Total disconnection with relations and colleagues in-terms of contact and social life.
- Low self esteem and feeling of dissatisfaction.

- Psychosomatic and phobic problems

To beat the challenges of post-retirement conditions, planning for retirement should begin as soon as appointment is secured (Sule 2006). The implication of the above is that one needs not to wait for the time when final retirement is knocking at the door and retirement benefits anticipated before planning.

Much consideration should be given to family related issues such as optimal size or number of children, stage at family life cycle etc. if retirement pensions can comfortably cater for them. According to Agada (2006) he cautioned that retirement planning if given priority will facilitate a sure smooth landing for the retiree.

Benefits of Retirement Plan

Effective and functional retirement plan offers the following opportunity benefits.

- Sound mind, spirit, body and soul at post retirement.
- Safety social security provisions at post retirement life.
- It helps to eliminate burden of idleness in post retirement years
- It reduces the retiree's chronic hunger for money.
- It helps in reintegration and feeling of usefulness on the part of the retiree.

Nigerian Workers Perception about Retirement

In Nigeria, workers in the private sector of the economy happily and see retirement as a welcomed development and are excited about it. They have developed a positive attitude to it and are looking forward to when it will come. The reason for the positive attitude stemmed from the fact that all delays arising from bottlenecks in payment of their retirement benefits are eliminated, and are sure of regular payment of their pension.

On the other hand, workers in the public sector dread retirement as it create tension and anxiety in their sub conscious minds. This group sees retirement as punishment to be avoided, to them it means leaving regular employment for death.

The agony they are subjected to when they retire accounted for the reason why they see retirement as a monster and make every effort to avoid it. Stories had it in the newspapers of retirees who died while waiting for their retirement benefits. The punch publication of January 5th, 1998 had it that about 14 teachers died in hunger in Oyo state while waiting for their retirement benefits, also in the publication of September 17th, 1998 by punch newspapers also had it that 15 railway retirees have died in Kwara State, while waiting for their retirement benefits. These reported cases, no doubt added to the negative attitude developed by Nigerian workers in public sector about retirement.

The way out of being in service is to indulge in document falsification by way of false age declaration and altering date of first employment as a way of avoiding the monster called retirement.

Challenges of Retirement in Nigeria

Several challenges have characterized the process and management of retirement in Nigeria.

Some of these challenges are examined inter-alia

1. Lack of Planning:

Many retiring officers have encountered challenges arising from lack of proper planning for retirement as a result they retire unprepared.

Lack of planning has resulted in the retiree a state of psychosomatics and psycho phobic reactions. Today retirement is dreadful and perceived to be tension provoking phenomenon leading to conditions such as early death, frustration, and monumental hardship in most cases. IBTC pension managers (2008) captured that, retirement planning as an exercise globally is

fraught with many challenges. In Nigeria retirement planning is more complicated in the public sector of the economy because it is mainly challenged by low level of income and low propensity to save as well as huge family and social responsibilities such as the size of the family, polygamy, extended family issue and inadequate health care facilities.

2. Bottlenecks in Processing Pension Benefits

The processing and documentation for pension benefit are often very tedious and cumbersome, leading to hardship and frustration which are sometimes experienced by the retirees. In most cases the retiree had to wait endlessly for days, months or years to collect their entitlement.

3. Corruption and Embezzlement at the Pension Board

Pension reforms in Nigeria have not yield any result as pension fund has been characterized by embezzlement, corruption, mismanagement and funds diversion overtime.

The corruption and embezzlement in the pension scheme have added to the frustration and hardship experienced by the retirees and have manifested in different dimensions. Fapohunda (2013) revealed recently the multi-million pension fund scandals pervading many strata of Nigeria society like the pension unit of the office of the head of civil service of the federation, PENCOM and the Nigerian police pension. There were reported cases where civil servants embezzled billion of Naira from government agencies and parastatal in Nigeria.

4. Fear of Accommodation to Retire Into at Retirement:

In Nigeria most workers do not have a house of their own. Therefore at retirement there is always anxiety about a home to retire into. This stemmed from the fact that an average Nigerian worker are paid low wages, investment to have a personal residential home becomes unachievable.

5. Discriminatory Treatment by the Society:

A retired person is mostly seen as dead wood and has nothing to offer. This amount to discrimination on retirees because they are old, senile and sometimes dementia, they suffer a feeling of rejection and unwanted by the society. This is commonly experienced by the retirees in our society.

According to Udo (2012) people who manage to get to old age generally recognize the awareness that the present socio-cultural and socio political circumstances in Nigeria are destroying them. In furtherance to this assertion he also stressed that individual experience discrimination, intolerance and isolation based on the sole fact that they are old or retired, this oppression stems from an irreversible biological condition.

6. Domestic Violence:

Retirees do suffer some degrees of violence at home from their partner over dating, marital issues and sexual denial because they are no longer active sexually, buoyant financially and can no longer contribute commensurately to their expected responsibilities in-terms of home up keeps. By extension, they experience physical, sexual, emotional, economic abuse, threats, isolation and rejection. They endlessly experience these abuses to the extent that when attempts are made to end these violence in their lives it usually culminate into intimidation over custody or separation, fear of social judgment and economic entrapment.

7. Failing Health and Death:

At retirement many retirees experiences protracted illness arising from hardships associated with retirement and finally sudden death. Though retirement stipulated that in case of a

worker died in active service. The balance of his/her RSA will be transferred to the beneficiary as contained in his will, which is usually his or her spouse, children, next of kin, and the same terms and conditions also apply to a retiree who is already receiving retirement benefits through programmed withdrawal.

The Need for Retirement Counseling

Many have made a fortune in their careers while others were not so fortunate. These extremes largely depend on personality and available knowledge of retirement planning. Irrespective of whatever one enjoyed or suffered while at active service work, retirement is inevitable. Therefore, guiding against hardship, frustration, and several other challenges arising from retirement the need to be given pre-retirement and post retirement counseling becomes imperative to enable him meet up with the challenges of retirement. Counseling enables Nigerian worker to appreciate the need to engage in early retirement planning.

According to Ekwe and Nwanmuo (1997), counseling has been described as a relationship in which a client is helped to bring about his own adjustment to situation to which he is not otherwise able to adjust. Counseling can be on individual or on group bases, which ever form the aim is to help people who has problem to understand the problem clearly, objectively and takes necessary steps to tackle and resolve the problem.

The counseling plat form creates a mutual relationship, trust and understanding for both parties to discuss the problem freely and confidentially, the effect of this exercise means that when a worker eventually retires the problems that goes with retirement are minimized.

Aims of Retirement Counseling

Retirement counseling in Nigeria aims at the following.

1. According to Weiss (1995) retirement counseling aims at helping employees to cultivate a favorable or positive attitude towards retirement and help lessen the shock of retirement.
2. Retirement counseling helps to reduce the anxiety of employee over the future since most workers are anxious over the future of their jobs.
3. Retirement counseling helps the worker to increase his understanding and appreciation of the organizations benefits.
4. Enhancement of proper education of the employees in terms of the wise use of benefits before and after retirement is made possible by retirement counseling.
5. It also helps employees and retirees to develop self reliance skills and cultivating healthy life styles.
6. The knowledge gained during retirement counseling exposes employees on the need for planning their retirement, make an informed decision and take necessary actions to make their plans work.

Areas of Retirement Counseling

Since the life of the employee does not end in retirement, life after retirement is worth living blissfully and meaningfully. And for a post retirement life to be enjoyable there is the need for employees to have some insight into what to expect when he is retired through retirement counseling and education.

According to Haynes (1995) areas that needed to be discussed during retirement counseling or planning should include the following.

1. Good Health Conditions:

Soundness of mind, body and soul should remain paramount in the mind of the retiring officer. A retiree may be financially stable, but if he is not healthy the enjoyment accompanying post retirement life will be a mirage.

Retirement counseling brings to the fore issues such as stress, its effects and how to cope with it, old age diseases, diets at retirement, need for physical exercises and steps for staying healthy at post retirement. Furthermore, the discussion on health related issues at retirement counseling helps employees to realize the need for physical fitness at retirement and steps for sustainability

2. Emotional Adjustment:

Retirement remains dreadful tension provoking and devastating phenomenon for those who are not emotionally prepared for it such workers experiences, anxiety over what the future holds for them. Attitude therefore remains a veritable tool and to a large extent determines the level of pains and gains expectation of the employees at retirement.

The aim of the emotional adjustment is to help employee to develop and sustain positive attitude towards retirement. It also enables them to maintain a mental stability at retirement and helps them to be emotionally adjusted to the realities of retirement. Absence of such emotional counseling before or after retiring brings about emotional depression that could lead to unhappy state of mind, strange diseases and eventual sudden death.

3. Holistic Review of Employer's Retirement Benefits:

When employee retires from work they are usually paid gratuities and pensions. Unfortunately those employees in the public sector of the economy in Nigeria are not aware of the retirement benefits. Thus running a holistic review of the employers' retirement benefits makes them conscious of their various entitlements at retirement this in turn enable them to engage in financial planning.

4. Financial Prudence:

Retirement is associated with cash traps and income reduction. Money is a necessary ingredient for survival in the life of man; when money is in a state of inadequacy arising from irregularity in the income flows it creates tension and strikes fear in the mind of people, to circumvent this state of anxiety employees have to be counseled on the need to plan their financial resources before they retire. This again exposes the employee to better investment plans with their retirement benefits and how to source for additional income to engage in sustainable business ventures. Retirement counseling exposes employee to new business opportunities and issues involved in the management of the business.

Again, it makes the employee to realize that even at retirement they can still be useful and engage in meaningful ventures that will enable them to get extra incomes to take care of their teeming financial obligations.

5. A Home Into Which to Retire:

A home into which to retire creates tension and anxiety to the retiring officer. At retirement most employees who do not have a personal residence changes accommodation, some employee at retirement moves from the urban centres to their villages in the hinterlands, where all the opportunities in the city centres are not available.

Such relocation has a far reaching implication on the lives of the retiree. This scenario calls for retirement counseling for the worker before retirement, a retirement counseling that focuses on housing and accommodation before retirement equips the retiree sufficiently on the type and size of home into which to retire and anticipate the associated stress that goes with relocating his households.

6. Personal and Family Adjustment:

Retirement goes with changes and the retiree must cope with the effects of the change. The pattern of life and his daily routine will change, adaptation with his new location poses new set of life challenges, the income flows may not be regular, ageing and failing health conditions. He makes new friends to cope with challenges of retiring into an entirely new location.

At retirement he or she now stay more at home unlike the busy days experience when at active work and the troubles of immediate and extended family will rear its ugly head. All these changes put him under pressure, tension and anxiety to cope with these he or she must be helped to develop thick skinned to enable him deal with these pressures and adjust to the changes and face the realities of life. Retirement counseling in this regard should aim at helping the retiree to develop the necessary skills to annul the effects of the changing life pattern. He should as much as possible be encouraged to find time to engage in social activities, church programmes, sporting activities or find other full time or part time employment opportunities to avert the challenges that goes with changing life patterns. Counseling will help to uncover the latent talents embedded in the retiree which the routine and busy work schedule had suppressed over the years.

This discovery of hidden talent by no means helps the retiree to cope with the challenges pose by retirement, when this happens the retiree finds the post- retirement phase of life quite exciting.

Entrepreneurship Alternatives and Approaches for Managing Post-Retirement Conditions

Retirement is inevitable and a necessary end to a working career, enjoying blissful post retirement life requires a great managerial ability. This means that before retirement workers are expected to harness their resources in readiness for developing action plans for effective and stress free post-retirement life style.

According to Ogunlesi, (1985) for a retiree to experience a pleasant post retirement life, he has to device means of managing the challenges inherent in retirement.

External environments are harsh and unfriendly, to cope with it demands a stronger foundation or structure to ensure smooth landing to minimize anticipated challenges at retirement.

The import of this assertion means that the retiree should consider the following.

1. Housing Consideration:

A home into which to retire should be paramount to the worker in making retirement plan. The plans must be strategic above all considerations, money should be voted into this plan while still at active service and efforts should be made towards ensuring early completion of the housing project before retiring, when this project is settled the retiring officer for once has succeeded in eliminating the first known challenges that goes with retirement. When a retiree is adequately accommodated the early tension and anxiety that is associated with retirement are averted.

2. Investment in your Areas of Competence:

In addition to savings and accumulation of money in the bank, investment in your area of competence is a viable entrepreneurial opportunity open to the intending retiree.

This means establishment of small and medium scale businesses running side by side while one is still fully in employment of an organization e.g. establishment of school, transportation, bead making, internal decoration, laundry services etc. businesses in these areas have the potential for wealth creation, employment of labour as well as driving

economic growth and development. These businesses generate extra income that makes post-retirement life more blissful, enjoyable, and meaningful, when such structures are on ground the retiree will have something to fall back on and possibly to expand it and make a living out of it.

3. Development of Retirement Financial Plan:

When one is planning for retirement the plan should include the need to develop an actionable financial plan so as to match the new standard of living with the retiree's income since retirement imposes a considerable change in life style. Suffice to add that finance is considered very paramount in the retirement planning exercise, if the finances are adequate it makes it easier for the management of post retirement conditions.

4. Open Business in one's Area of Specialization:

Every retiring officer has his own area of specialization, skill, or in consonance with his life style, which could be engaged into as business after retirement. Such occupation includes Consultancy Services, Script Writing, Tailoring, Craftsmanship, Bricklaying etc.

This will help to cushion the effect of retirement and whatever is the choice of business, what is paramount is that there is the need to possess reasonable skills and knowledge of it and be abreast with the legal requirements of establishing such undertakings.

5. Savings for Retirement:

To minimize challenges experience at retirement employees are encouraged to open a saving account with thrift and saving society, cooperative societies at places of work, financial welfare/society scheme etc, this measure should be taken early when one is still in active service on a gradual basis. Other saving avenues include commercial banks, buying of shares from a financially solvent companies and investment in assets. At retirement a retiree will conveniently have something to fall back on, in managing post-retirement living.

It is worthy of note that investment in this regard is a welcomed development and early in one's working career so that the returns on capital, interest, and dividend can be appreciated at retirement.

According to Ruhm (1990) and Dalang (2006), they observed that when little previous savings is or are pooled together with gratuity and pension benefits, and invested in a profit oriented business it can improve the fortune of the retirees in post-retirement life. For fear of business failure it is advisable to invest in several businesses to avoid the risk of failure. If this action is taken faithfully it will avert pitfalls and other unpleasant post-retirement conditions and challenges.

Conclusion

Retirement is a sine-qua-non in the life of every worker whether he or she is prepared for it or not. Many workers in an organization lose sight of the fact that retirement is a necessary end of their career, they do not make plans for their exit and retirement comes to them as a surprised package. Therefore, it is required of every employee to begin to consider retirement issues passionately since retirement goes with challenges that can make post-retirement condition blissful or painful arising from his level of preparedness and effectiveness of his plans. At both ends the choice is yours. Efforts should be made by government to check the activities of the pension administrators in Nigeria so that challenges that accompanying processing and payment of pensions and gratuities to retiring officers can be eliminated.

The tension and anxiety of retirement are so dreadful to the extent that no Nigerian worker may wish a retirement to his enemies. Furthermore, government should formulate a favourable retirement policies to Nigerian workers so that the negative perception they have about retirement is reversed.

Recommendations

Retirement is dreadful, tension provoking and devastating phenomenon in Nigeria and other developing economy in Africa. In a bid to ameliorate the challenges imposed by retirement, this paper passionately recommends as follows:

- ❖ The employee about to retire from active service should undertake retirement counseling, this will afford the intending retiree the opportunity not only to learn new skills but also to widen the horizon on how to identify new business opportunities, know the characteristics of entrepreneur, start and manage business enterprises in post retirement life.
- ❖ Always observed the compulsory 30 days annual leave, whatever you do during the annual vacation is what is expected when you retire.
- ❖ Invest for your retirement for your children are not retirement benefit.
- ❖ Start a hobby early in your working days to take you along when you retire. You can start a church, rearing of goat or chicken, zero grazing or a shop.
- ❖ Where shall you retire into? Build yourself a home. Don't retire and start to rent a new apartment.
- ❖ Who shall be your dependant? By the time you retire, your children should be above 18years of age and self reliant.
- ❖ Don't make a mistake of marrying a second wife or involved in divorce.
- ❖ As much as possible don't retire in city centres. You can't continue to live in the city after 60 years of age. The cost of living and hustles may be too compelling.
- ❖ Have properties which can be converted into cash. Plant palm trees, plantains, pineapple etc.
- ❖ Live a simple life. If you never build a house in your country home, don't use your retirement package to build one.
- ❖ Look for a part-time retirement employment. By extension it could imply finding a retirement job that is new and interesting this can help you earn money and increase your financial stability at retirement.
- ❖ A retiree should develop new friendship in accordance with the view of carter (2012) in Okam (2013) it was suggested that a measurement of whether people are successful at retirement living is the strength of their social network that including family and friends. Joining new groups e.g. community and social clubs that have people of common interests and opinion are encouraged and are welcomed development.
- ❖ A retiree's attitude plays a great role as to finding retirement blissful or painful. Therefore, a retiree is admonished to keep a high spirit always.
- ❖ Establish business in own area of specialization. According to Abdullahi and Jummai (2014) retirees should identify and start a post-retirement business suitable to the retiree's life style. Identifying and starting a business in one's area of specialization or where the retiree's skill is greater could be veritable avenue to engage in after retirement. Such specialization may include consultancy services, laundry services, hair making and professional make-up artist, dancing, farming, sporting activities etc.

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APPENDIX

Table 1: Formula for Pension and Gratuity Calculation Based on Percentate of Final Salary In Respect of Retirement in Nigeria Since 1992

BEFORE 1992			SINCE 1992 TO DATE		
Years of Qualifying service	Gratuity as % of final pay	Pension as % of final pay	Years of qualifying service	Gratuity as % of final total emolument	Pension as % of final total emolument
-	-	-	5	100	-
-	-	-	6	108	-
-	-	-	7	116	-
-	-	-	8	124	-
-	-	-	9	132	-
10	100	-	10	100	30
11	110	-	11	108	32
12	120	-	12	116	34
13	130	-	13	124	36
14	140	-	14	132	38
15	100	30	15	140	40
16	110	32	16	148	42
17	120	34	17	156	44
18	130	36	18	164	46
19	140	38	19	172	48
20	150	40	20	180	50
21	160	42	21	188	52
22	170	44	22	196	54
23	180	46	23	204	56
24	190	48	24	212	58
25	200	50	25	220	60
26	210	52	26	228	62
27	220	54	27	236	64
28	230	56	28	244	66
29	240	58	29	252	68
30	250	60	30	260	70
31	260	62	31	268	72
32	270	64	32	276	74
33	280	66	33	284	76
34	290	68	34	292	78
35	300	70	35	300	80

Source: Pension Reform Act 2004, Abuja, Federal Republic of Nigeria. In Ali M. (2014) managing retirement in Nigeria. Journal of good governance and sustainable development in Africa vol. 2 No. 2

Table 2: Federal Civil Service Salary Structure

	Monthly Salary	Monthly Contribution 18%	Annual Contribution
*GL.01 S. 1	18,900.00	3,402.00	40,824.00
*GL.03 S. 1	19,410.00	3,493.80	41,925.60
*GL.04 S. 1	26,249.00	3,644.82	43,737.84
*GL.05 S. 1	21,774.83	3,919.47	47,033.63
*GL.06 S. 1	26,352.42	4,743.43	56,921.23
*GL.07 S. 1	43,163.75	7,769.48	93,233.70
*GL.08 S. 1	53,000.00	9,540.00	114,480.00
*GL.09 S. 1	65,054.58	11,709.82	140,517.89
GL.10 S. 1	76,209.25	13,717.67	164,611.98
GL.12 S. 1	87,763.33	15,797.40	189,568.79
GL.13 S. 1	97,852.75	17,613.50	211,361.94
GL.14 S. 1	107,984.83	19,437.27	233,247.23
GL.15 S. 1	148,218.00	26,679.24	320,150.88
GL.16 S. 1	183,139.75	32,965.16	395,581.86
*GL.17 S. 1	348,633.00	62,753.94	753,047.28

Federal Civil Service Commission
Salary Structure HOS FCSC pays their workers. In Akpan J.D. 2017

Table 3: Lagos State Harmonesia public service salary structure (HAPSS)-1st March 2007

	1	2	3	4	5	6	Monthly Contribution 18%	Annual Contribution
GL. 01	62,100	63,528	64,957	66,385	67,813	69,242	11,178.00	134,136.00
GL. 02	63,164	65,031	66,899	68,767	70,634	72,502	11,369.52	136,386.24
GL. 03	64,072	66,368	68,663	70,958	73,254	75,649	11,532.96	138,395.52
GL. 04	67,276	70,034	72,792	75,549	78,307	81,065	12,109.68	145,316.16
GL. 05	76,681	79,885	83,089	86,293	89,496	92,700	13,802.58	165,630.96
GL. 06	94,238	98,143	102,049	105,954	109,860	113,765	16,962.84	203,554.08
GL. 07	126,386	131,200	136,014	140,828	145,642	150,456	22,749.48	272,993.76
GL. 08	164,434	170,163	175,893	181,622	187,351	193,080	29,598.12	355,177.44
GL. 09	193,819	200,641	207,462	214,284	221,106	227,928	34,887.42	418,649.04
GL. 17	444,611	468,765	492,920				80,029.98	960,359.76

Salary Structure and Allowances- Lagos State Government. In Akpan J.D. (2017). Retirement Planning in Nigeria; issues and challenges of law and pension policy objectives. Donnish Journal of Law and Conflict Resolution vol 3(1)

Table 4: Government of Akwa Ibom State Nigeria Consolidated Public Service Salary Structure (CONPSS) —1st April, 2011

GL. 01	18,026.39	3,244.75	38,937.00
GL. 02	18,254.82	3,285.87	39,430.41
GL. 03	18,450.29	3,321.05	39,852.63
GL. 04	19,138.36	3,444.90	41,333.86
GL. 05	21,160.19	3,808.83	45,706.01
GL. 06	24,933.57	4,488.04	53,856.51
GL. 07	33,106.71	5,959.21	71,510.49
GL. 08	41,090.53	7,396.30	88,755.54
GL. 17	100,327.89	18,059.02	216,708.24

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