



Pensions Alliance Limited
...Your PAL for life

PAL NEWS

1ST QUARTER, 2008

From The Editor



This edition of the PAL Newsletter focuses on the concluding part of regulations for the administration of retirement and terminal benefits; specifically, Compulsory Retirement, Temporary Access and Death. Also for those who are still in doubt about whether or not the contributory Pensions Scheme will work, we spoke to a few retirees under the new scheme who shared their experiences with us.

The Unit Price of the PAL Value Fund (PALVF) opened at N1.3411 on January 01, 2008 and closed at N1.3941 on March 31, 2008, a growth of 3.95% for the quarter. The annualized yield as at quarter ended March 31, 2008 was 16.07%. The annualized yield for first quarter 2008 was lower than the annualized yield for 2007 at 22.50% mainly because of the drop in share prices over the period. The stock market experienced a correction, with a lot of profit taking activities taking place by foreign investors and institutional and individual Nigerian investors. The Nigerian Stock Exchange (NSE) All Share Index dropped from 65,652.38 at the end of February 2008 to 63,016.56 as at the end of March 2008; a decline of 4.01%. We expect the stock market to pick up in the second and third quarter of this year and the unit price of the PALVF will appreciate accordingly.

To serve you better, we have introduced Electronic Notification of Account Balance. Please confirm your email address and mobile phone number by sending an email with your FULL NAMES & PIN to info@pensionsalliance.com or call our Pension Service Centre (PSC) on 01-4622201-3. You can also notify our Pension Service Centre staff if you want to continue receiving hard copy statements by calling the PSC lines above, or sending an email to info@pensionsalliance.com

We look forward to sharing your opinions and ideas through our dedicated email address: palcustomer@pensionsalliance.com

NIKE BAJOMO
EDITOR



Testimonials

The new Pensions Industry has gone full circle over the last three years. We have metamorphosed from registration of clients to crediting of clients accounts and investing their contributions efficiently in accordance with the set guidelines with a view to delivering to our clients a real rate of return in the medium to long term. From July 2007, we began exit of the first set of retirees from the scheme. Pensions Alliance Limited has paid over 80% of our retirees lump sum, while they continue to enjoy collecting their monthly pensions as and when due. In the interim the remaining 20% are at various levels of documentation/approvals.

We took the liberty to talk to some of our clients, given the initial apprehension Nigerians generally had about the new pensions scheme and we got so many responses. Below are some of the excerpts:



"PAL an experiment that worked. I saw myself as a guinea pig on which the new Pensions Scheme would be administered.

Had the scheme failed, I would have been the greatest loser because I retired in July 2007 the first set of retirees under the new scheme. I must praise PAL agents who continued to allay my fears by encouraging me. Today, I am a happy pensioner made possible by PAL. I recommend PAL to all future retirees. They are dependable, friendly and caring."

Prof. O. M. Abone, Retiree, Unizik Awka

"The scheme is working because you will have your money as at when due, besides this scheme is different because the money is out of government and all you need to do is to be prudent with it. I have confidence in this scheme because the money is there already. All the custodian need to do is to carry out the instruction of the PFA. With PAL, I receive my monthly pension payment on



the 24th of every month and it is regular because PAL is responsive and outstanding."

Mr. Sheidu Baye, former Deputy Director, Human Resources, NDIC is the proud Chief Executive of Flood Gate Services A company that specializes in proof reading, editorial project management and preparation of briefs/proposals among others.

"I am impressed with the performance of Pensions Alliance Limited with regards to my lump sum and monthly pensions. My lump sum payment was released promptly;



and surprisingly my pension has been regular and on time. I think this is a new development and progress for pensions compared with what my counterparts previously suffered. I would say CONGRATULATIONS to the National Pension Commission and specifically to Pensions Alliance Limited. However, I would like PENCOM to review the percentage payment for lump sum".

Prof. C.E. Aguwa, Retiree, Unizik, Awka

"I Mrs. C.U. Egesi retired from the Civil Service on August 2007. I chose PAL as my PFA. They are easily accessible and most importantly they are a very reliable company. I

have received my lump sum, pension arrears and regular monthly allowance. I am very comfortable with their services. They are very friendly and operate an open door policy right from their office locally to those in their big office in Lagos. If you want to enjoy your retirement, I advice you join Pensions Alliance Limited (PAL)"

Mrs. C.U. Egesi, Retiree, FMC, Umuahia



REGULATIONS FOR THE ADMINISTRATION OF RETIREMENT AND TERMINAL BENEFITS.....continued from the last edition

In the last edition, we discussed the different types of retirement and documents required for processing terminal benefits. In this edition we will focus on Compulsory Retirement, Temporary Access and Death benefits.

Compulsory Retirement: When an employee disengages from active service in accordance with the terms and conditions of service before attaining the age of 50 years.

The regulations for the payment of benefits provide that the RSA holder can access 25% of his/her RSA balance. The following documents are required to process the payment:

- Letter of retirement issued by your employer
- A document confirming that the retirement is in accordance with terms and conditions of employment.
- Payslip or evidence of total annual remuneration
- Evidence of any accrued pension rights or acknowledgements of indebtedness or any outstanding pension contribution.
- One passport photograph.

The regulation also provides for the re-instatement of an RSA holder (into the scheme) who retires under compulsory retirement where he/she secures another job before attaining the age of 50 years.

Temporary Access: This occurs in a situation where the RSA holder's appointment was terminated or declared redundant or loss of his job at the instance of the employer. Where the RSA holder remains unemployed for a period of six (6) months, the regulation allows the RSA holder to access 25% of his/her account balance. Documents required to process this payment include:

- Formal letter of severance of appointment from the employer
- Applications by RSA holder to access his/her account balance.
- Evidence of existence of accrued rights and/severance benefits

Death: Where the RSA holder dies, the regulation

for payment of benefits provides detailed procedure for paying death benefits as follows:

- The employer or a representative of the deceased family is to notify the PFA of the occurrence of death of the RSA holder
- The PFA confirms the identity of the next-of-kin through either of the following means of identification
- International Passport
- National Identity Card
- Letter of confirmation of identity from his or her bank

(Please note that a driving license is not an acceptable means of identification)

- Where the next-of-kin has no satisfactory means of identification, the identification of the next-of-kin by a third party is acceptable provided any of the aforementioned satisfactory means of identification is provided by the third party.
- To process the death benefit, the next-of-kin is required to provide the following key documents:
 - Will admitted to probate and in its absence, Letter of Administration
 - Certificate of Death or cause of death
 - Police report of death if death was a result of accident
 - Passport photograph of the deceased

Where the next-of-kin differs from the named Administrator/Executor, the PFA is expected to seek PENCOM's approval or rejection for the payment of RSA balance to the Administrator/Executor.

- After processing all the documents, and PENCOM has given approval for payment; the deceased RSA balance which includes the RSA balance before death, outstanding pension up till the date of death and proceeds of Life Insurance will be paid en-bloc to the beneficiary.

with the gratuity of the old scheme. I would recommend that the regulators should make sum adjustments. I thank the Government and all parties involved in this new scheme. I pray that they continue to improve on it so that would be retirees would also enjoy a good life in retirement."

Rtd. ASP Najimu Babalola



"This new scheme is a fantastic innovation. It cannot be compared to the old scheme which is unreliable. However, the regulators need to look into the lump sum. At a seminar we

had in Abuja, we were told that we would be paid 50% of our total money in the first instance; unfortunately this is not the case. In any case, I thank my PFA, PAL for a job well done. I compared notes with some of my colleagues and came to a conclusion that PAL is one of the best especially in terms of correspondence. I say thank you to you all."

Mr. Jaiyeoba Israel Samuel, Retiree, University of Ibadan.

"The new pension scheme is a transparent system that has eradicated the problem of ghost retirees. My only grouse with this system is that the lump sum is too low. I think we should be allowed up to 35%. I had to travel to Lagos at a time because I thought I needed to do verification but later realized that the trip was very unnecessary; though it gave me an opportunity to admire your beautiful office and experience your friendly, professional and courteous staff. God bless you all."



Mr. Akinwale Abel Olayinka, retiree, OAUTH, Ile-Ife



"The new scheme is better than the old scheme. My retirement proceeds came in handy in setting up an Oil Mill. I only hope that the efficiency of the scheme will be sustained. I have no regrets in choosing PAL PFA. The staff are very friendly. I met the MD, Nike, Onyinye and Bolaji. They are all pleasant, smartly dressed and elegant. I look forward to buying the shares of PAL through the capital market someday."

Mr. John Ikeorah, Retiree, Nigerian Stored Products

Quotable Quote

The best time to start thinking about your retirement is before the boss does.

Author Unknown

Joke of the Quarter

Hearing Aid

An elderly gentleman who had had serious problems for a number of years went to the doctor to be fitted for a hearing aid that would return his hearing to 100%.

The elderly gentleman went back for further tests a month later and the doctor said, "Your hearing is perfect. Your family must be really pleased that you can hear again."

To which the gentleman replied, "Oh, I haven't told my family yet. I just sit around and listen to the conversations. I've changed my will three times!"



Continued



"I hereby thank the Federal Government of Nigeria for the New Pensions Scheme. Infact I am the happiest pensioner. Thank you PAL!"

Mr. Ogbunika Emmanuel, Retiree, FMC, Umuahia

"The new Pension Scheme is the best thing the Federal Government has done. I was very pessimistic about the scheme until I was called to visit the bank for my payment. Undoubtedly, PAL PFA is the best. I have no regrets choosing PAL. All the staff I came in contact with are friendly, calm and understanding. My advice to the organization is that they advertise more. People need to know about their good works. However, the issue of lump sum is very controversial when compared

