

Nigeria

Exchange rate: U.S.\$1.00 equals 124.85 naira.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1961 (provident fund).

Current law: 1993 (social insurance), implemented in July 1994.

Type of program: Social insurance system.

Coverage

Employees of firms with 5 or more workers.

Exclusions: Civil servants, diplomats, noncitizens covered by an equivalent program in another country, self-employed persons, and the clergy.

Voluntary coverage for some excluded categories of worker under specified conditions.

Special system for pensionable public-sector employees.

Source of Funds

Insured person: 3.5% of gross salary. (Gross salary includes basic salary and housing and transport allowances.)

Employer: 6.5% of gross salary. (Gross salary includes basic salary and housing and transport allowances.)

Government: None.

The maximum annual earnings for contribution and benefit purposes are 48,000 naira.

Qualifying Conditions

Old-age pension: Age 60 with 120 months of contributions. Retirement from regular employment is necessary.

Retirement grant: Age 60 with at least 12 months of contributions. Retirement from regular employment is necessary.

Disability pension: Permanently disabled with 36 months of contributions including 12 consecutive months.

Disability grant: Permanently disabled with at least 12 months of contributions.

Survivor pension: The insured person was eligible for the disability pension or old-age pension at the time of death.

Survivor grant: The insured person was eligible for the disability or retirement grant at the time of death.

Funeral grant: The insured person was receiving the disability or retirement pension or had 60 months of contributions.

Old-Age Benefits

Old-age pension: 30% of average monthly insurable earnings plus 1.5% of those earnings for each 12-month period of paid or credited contributions exceeding 120 months of contributions.

The minimum pension is 4,400 naira a month (80% of the national minimum wage).

The maximum pension is 65% of average monthly contributions.

Retirement grant: A lump sum equal to the final month's contributions multiplied by the number of months of contributions.

Permanent Disability Benefits

Disability pension: 30% of average monthly insurable earnings increased by 1.5% for each 12-month period of contributions exceeding 36 months' contributions up to age 60.

The minimum pension is 40% of final average contributions or 80% of the national minimum wage.

Disability grant: A lump sum equal to the month's contributions immediately prior to the onset of disability multiplied by the number of months of contributions.

Survivor Benefits

Survivor pension: 100% of the insured's pension. The pension is payable to a surviving spouse or to other dependent relatives.

Survivors grant: 100% of the insured's retirement grant or disability grant.

Funeral grant: A lump sum of 2,000 naira.

Administrative Organization

Federal Ministry of Labor and Productivity provides general supervision.

Managed by a board of directors and a management committee, the Social Insurance Trust Fund administers the program.

Sickness and Maternity

Regulatory Framework

First and current law: 1961 (provident fund), not implemented.

Type of program: Provident fund system. Cash sickness benefit only.

The labor code requires employers to provide employees with 12 days of paid sick leave a year and to provide paid maternity leave at 50% of wages for 6 weeks before and 6 weeks after the expected date of childbirth.

Coverage

Employees of firms with 5 or more workers. (Not implemented.)

Exclusions: Casual workers, noncitizens covered by an equivalent program in another country, and self-employed persons. (Not implemented.)

Special system for public-sector employees.

Workers' Medical Benefits

None. (Limited free medical care is available to the population via public dispensaries and hospitals.)

Dependents' Medical Benefits

None. (Limited free medical care is available to the population via public dispensaries and hospitals.)

Administrative Organization

Federal Ministry of Labor and Productivity provides general supervision.

Work Injury

Regulatory Framework

First and current law: 1942 (workmen's compensation), with 1957 and 1987 amendments.

Type of program: Employer liability system, normally involving insurance with a private carrier.

Coverage

Manual workers; nonmanual employees (including federal and state public-sector employees) earning 1,600 naira a year or less.

Exclusions: Agricultural or handicraft employees of commercial enterprises normally employing fewer than 10 workers, casual workers, and family workers.

Source of Funds

Insured person: None.

Employer: Total cost met through the direct provision of benefits or the payment of insurance premiums.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of salary for 6 months, 50% for next 3 months, and 25% for the following 15 months.

Permanent Disability Benefits

A lump sum of 54 months' earnings, if totally disabled.

Constant-attendance supplement: 25% of the permanent disability benefit.

Partial disability: A lump sum proportionate to the degree of disability, according to the schedule in law.

Workers' Medical Benefits

Medical care, hospitalization, medicines, appliances, and transportation.

Survivor Benefits

A lump sum of 42 months' earnings, less any temporary disability benefit paid to the deceased. Courts determine how the lump sum is divided among the survivors.

Administrative Organization

Federal Ministry of Labor and Productivity enforces the law.

Courts participate in the adjudication of benefit claims and settle disputed benefit claims.

Employers may insure the assessed liability with private insurance companies.

Unemployment

Regulatory Framework

For insured persons who contributed to an individual account under the previous provident fund system, the 1961 provident fund legislation permits limited cash drawdowns after 1 year of unemployment.