PenCom rejects NLC’s claims on workers’ pension funds

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PenCom rejects NLC’s claims on workers’ pension funds  
  
The National Pension Commission (PenCom) has said the allegations by the Nigeria Labour Congress (NLC) on the management of pension funds and non-inauguration of PenCom’s governing boards are incorrect and misleading.  
  
NLC President Joe Ajaero had accused PenCom of sidelining workers and employers in the management and investment of their pension contributions.  
  
Ajaero had also accused the commission of operating without a properly inaugurated board, as well as engaging in unauthorised spending.  
  
The labour union issued a two-week ultimatum to PenCom to inaugurate its board and provide a comprehensive status report on the funds.  
  
The umbrella labour union wrote a letter to the commission on August 13, communicating the resolutions of its Central Working Committee (CWC) meeting, which re-echoed the same issues as the initial letter.  
  
But in a statement by its Acting Director of Corporate Communications, Ibrahim Garba Buwai, PenCom assured the nation that pension funds are safe and secure.  
  
The commission explained that it does not directly invest pension funds.  
  
It said only licensed Pension Fund Administrators (PFAs) and Pension Fund Custodians (PFCs) manage and safeguard the investments under strict regulations and supervision.  
  
“It is, therefore, incorrect to suggest that contributors and employers are kept in the dark about investments of pension funds. Equally, there is nothing to suggest that the funds are in any jeopardy. In the letter written by NLC, this is a possible sinister motive, as the commission has always operated with transparency and accountability,” PenCom said.  
  
Reacting to NLC’s complaint about the non-inauguration of the commission’s board, PenCom stressed that the inauguration of the governing board was beyond its control.  
  
The commission explained that while Section 19 of the Pension Reform Act (PRA), 2014, provides for its establishment, the appointment of board members is strictly the prerogative of the President, subject to the Senate’s confirmation.  
  
PenCom reminded the NLC that by virtue of the provisions of PRA 2014, the union is one of the 10 institutions represented on the commission’s board.  
  
It added that the President has the prerogative of appointing the other six members, comprising the Chairman, the Director General, and the four Executive Commissioners. “It is clear that the NLC is well aware that it is outside the purview of PenCom to appoint a Board for itself,” the statement said.  
  
PenCom assured the NLC that the appointment of board members was not a matter of concern, as the Federal Government had taken steps to address the issue.  
  
Reacting to NLC’s allegation on the budget and spending process, PenCom dismissed claims of unauthorised spending, explaining that the National Assembly, as provided under the Constitution, approves the commission’s budget, regardless of whether a board is in place or not.  
  
In the letter, PenCom drew the attention of the NLC to the fact that all its procurement activities are undertaken in accordance with the Public Procurement Act, 2007.