

PALNEWS



Dear Esteemed Client,

Welcome to the 3rd Quarter of 2015. The year is fast coming to an end.

The quarter under review had a number of activities one of which was the Pre-Retirement Workshop organized by the National Pension Commission for 2016 prospective retirees. In addition to that was the yearly Enrollment and Verification Exercise also conducted by the Commission for the purpose of retirement benefit payment for FG employees also retiring in 2016. We are pleased to inform you that the subscribers to the Contributory Pension scheme has increased to 6.5 million while the pension assets across the industry is over 4.4 trillion naira.

Our focus at this time is centered on enlightening you about the transfer window which entails switching from one Pension Fund Manager to another. The final guideline is not yet released, however, as we know information is power. We trust that you will learn something new from this article.

Happy reading!

TRANSFER WINDOW: Myth or Reality

We start with the Story of Mr. Agbala's Pension journey so far; "Waoh!!!! Is the Contributory Pensions Scheme really over 10 years?, How time flies. It seemed just like yesterday when all those Pension agents were milling around my office trying to convince my colleagues and I to register with their firm for the new contributory Pensions Scheme. I dare say, it was a sight to behold with corporate gifts and other enticers making the rounds all in a bid to win over our registration. For the sake of fairness, we all went along with 4 different PFAs so that there would be some basis for comparison in the future. I vividly recall one of the sales representatives telling me, "oga don't worry, the Pensions Reform Act allows you to move from one PFA to another every year, so next year, I will make sure you move your RSA to my PFA".

Surprisingly, that was in 2005 and now 10 years down the line, anytime I enquire about the transfer window, the generic answer I get is "the window is not yet open".

We are quite sure many of our readers can relate with this story, with questions as to whether the transfer window is a myth or reality. It is for this reason that we have decided to dedicate this episode of

our newsletter to the proposed modalities of the transfer window.

The National Pension Commission (Pencom), repealed the Pension Reform Act 2004 and replaced it with the Pension Act 2014. Section 13 of PRA 2014 specifies that an employee may, not more than once in a year, transfer his RSA from one PFA to another. The questions as to whether or not this will happen has largely been answered with Pencom issuing a guideline on the Regulations for transfer of RSAs between PFAs. With the guideline in place, the Commission is working towards ensuring that all relevant facilities and mechanism are put in place before the Transfer window can be finally opened.

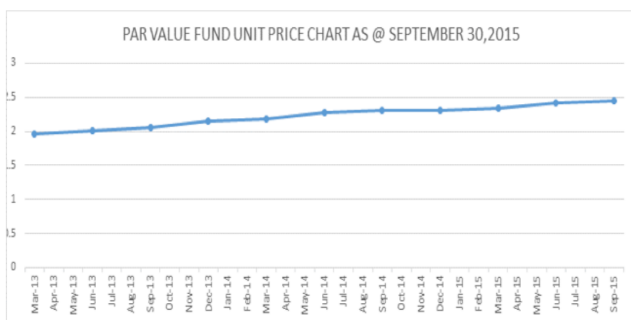
Basically, the regulations for transfer of RSA are set to:

- Allow seamless transfer of RSAs from one PFA to another.
- Facilitate full and equitable pension asset.
- Enable portability within the pension industry.
- Enhance ethical competition amongst PFAs.
- Improve service delivery to RSA holders.

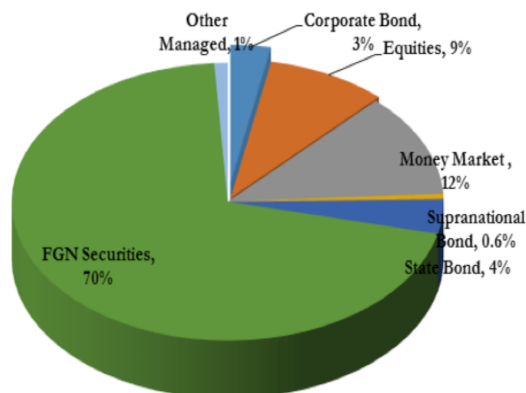
To be continued in the next edition.

PAL VALUE FUND - 3RD QUARTER, 2015

The PAL Value fund opened the year with a unit price of N2.3001 and closed the reporting quarter under review with a unit price of N2.4563. This represents a year to date return of 6.79% as at the end of September 2015. The PAL Value fund portfolio as at 30th September, 2015 comprised of the following asset classes: Federal Government Securities (69.95%), Corporate Bonds (2.75%), Supranational Bond (0.55%), State Government Bonds (3.5%), Money Market (12.43%), Equities (9.47%), Other Managed Funds (1.35%).



UNIT PRICE AS AT 30TH SEPTEMBER, 2015



PAVF ASSET ALLOCATION STRUCTURE AS @ 30TH SEPTEMBER, 2015

Quotable Quotes

An investment in knowledge pays the best interest.
—Benjamin Franklin

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Frequently Asked Questions

Q1 Q: I work in Enugu State and I am due for retirement in May 2016. When should I come to your head office?

A – You do not have to come to the Head Office to submit your documents or get any information. We have functional offices in almost all states of the federation. Please check our website www.palpensions.com for the office located closest to you.

Q2 Q – My appointment was terminated on my 42nd birthday. When can I access my benefit?

A – The Pension Act 2014 allows for a RSA holder who has been out of work for at least 4 months and is under the age of 50 years to access 25% of his/her retirement savings account balance.

Q3 Q – The amount remitted monthly by PENCOM is less than what is deducted from my salary. What should I do?

A – The National Pension Commission makes pension contributions on behalf of FG employees. The deductions are made based on information on the nominal roll submitted by the MDA's. You are required to ensure that your details on the nominal roll reflect your current details. This is for the purpose of reconciliation and subsequent regularization of your Retirement Savings Account.



JUST FOR LAUGHS....

Little Johnny's teacher asks, "George Washington not only chopped down his father's Cherry tree, but also admitted doing it. Do any of you know why his father didn't punish him?" Little Johnny replies, "Because George was the one holding the axe?"

One day Johnny was digging a hole in his back yard. His neighbor spotted him and asked. "Hello Johnny, what are you up to?" he asked. "My goldfish died and I'm gonna bury him," Johnny replied. "That's a really big hole for a goldfish, isn't it?" asked the neighbor. "That's because he's inside your cat!"