

Employer Non-Remittance and Corruption as Determinants of Ineffective Pension Administration in Nigeria

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Abstract

Pension administration remains central to the financial security and social welfare of retirees in Nigeria. Despite the introduction of the Contributory Pension Scheme (CPS) in 2004 and subsequent reforms in 2014, retirees continue to experience delayed benefits, financial instability, and declining trust in the pension system. This paper examines two critical challenges undermining effective pension administration in Nigeria: firstly, employers' non-remittance of mandatory counterpart pension contributions and secondly, corrupt practices among pension administrators. Drawing from empirical and theoretical literature as well as documented pension reforms, the study reveals that persistent non-remittances disrupt pension fund accumulation, deepen pension arrears, and erode pensioners' welfare. The study also finds that corruption manifests in embezzlement, falsification of records, diversion of funds, and administrative opacity, ultimately weakening governance and accountability within the pension system. The paper concludes that without stringent enforcement mechanisms, transparent administrative structures, and improved regulatory oversight, pension reforms may continue to fall short of guaranteeing retirees' long-term welfare.

Keywords: Pension Administration, Contributory Pension Scheme, Non-remittance of Pension Contributions, Corruption, Retirees' Welfare.

Introduction

Pension administration plays a critical role in safeguarding the welfare and post-retirement stability of workers in any nation, and Nigeria is no exception. As retirees increasingly depend on pension income to sustain their livelihoods, the efficiency, transparency, and accountability of pension systems become essential for ensuring their financial dignity and well-being (Mathew & Emmanuel, 2019; Ololade & Ogunmuyiwa, 2022). Over the years, global pension reforms have emphasised the importance of reliable funding structures, strict institutional governance, and reduced administrative malpractices as key determinants of an effective pension system (Lachman, 2013). Nigeria's pension system has undergone similar reforms, evolving from the Defined Benefit (DB) scheme to the Contributory Pension Scheme (CPS) introduced by the Pension Reform Act of 2004 and later strengthened in 2014.

The shift to the contributory framework was necessitated by the persistent inefficiencies that characterised the old pension scheme, including massive pension arrears, poor record-keeping, inadequate funding, and administrative corruption (Odia & Okoye, 2012; Nwanne, 2015). The CPS was designed to address these problems by ensuring that both employers and employees contribute monthly to individual Retirement Savings Accounts (RSAs), thereby guaranteeing predictable funding and minimising government pension liabilities (Oladipo & Fashagba, 2012). However, despite the expected benefits of the scheme, such as improved transparency, enhanced governance, and timely access to retirement benefits, pension administration in Nigeria continues to experience structural challenges that undermine its effectiveness.

A major setback is the non-remittance or irregular remittance of the employer's statutory counterpart contribution, which significantly disrupts the accumulation of adequate pension funds for retirees. Many employers in both the public and private sectors fail to remit their share consistently or in full, a development that results in delayed benefits, reduced pension payouts, and increased financial vulnerability among pensioners. This challenge contradicts the core purpose of the contributory scheme, which was established precisely to ensure a sustainable and predictable pension fund structure for all retirees.

Compounding this problem is the prevalence of corrupt practices among pension administrators, which continues to weaken public confidence in the pension system. Incidents of fund diversion, falsification of pension records, bribery, ghost pensioners, and lack of transparency in benefit processing have been widely reported across various pension institutions. These practices not only impede efficient pension administration

but also deepen pension arrears, create bureaucratic bottlenecks, and expose retirees to undue delays and financial hardship. Although the Pension Reform Act mandates strong regulatory oversight, lapses in enforcement, institutional weaknesses, and administrative inefficiencies continue to enable corruption within the pension management process.

Consequently, despite multiple reforms and ongoing efforts to improve pension governance, pensioners in Nigeria, in states such as Akwa Ibom, still face difficulties in accessing timely and adequate pension benefits. Their welfare is threatened by systemic failures such as non-remittance of employer contributions, administrative malpractices, and weak institutional accountability. These persisting challenges raise concerns about the actual functioning of the contributory pension system and its capacity to guarantee long-term financial security for retirees.

Against this backdrop, this study seeks to critically examine the impacts of non-remittance of counterpart contributions by employers on pensioners' welfare in Nigeria and the extent to which corrupt practices among pension administrators affect effective pension administration in Nigeria.

Research Questions

- i. What are the impacts of employers' failure to remit counterpart contributions on the welfare of pensioners in Nigeria?
- ii. How do corrupt practices among pension administrators affect the effective administration of pensions in Nigeria?

Research Hypotheses

- i. Employers' non-remittance of counterpart pension contributions has a significant negative impact on pensioners' welfare in Nigeria.
- ii. Corrupt practices among pension administrators significantly undermine the effective administration of pensions in Nigeria.

Literature Review

Conceptual Clarifications

Pension and Pension Administration

A pension is a structured financial arrangement designed to provide income security to individuals after retirement, enabling them to maintain a basic standard of living upon exiting the workforce (Mathew & Emmanuel, 2019). Pension administration encompasses all institutional processes involved in collecting contributions, managing pension assets, maintaining pension records, and disbursing benefits (Odia & Okoye, 2012). According to Ololade and Ogunmuyiwa (2022), effective pension administration

relies on transparency, adequate funding, strict regulatory compliance, and the capacity of administrative structures to deliver timely benefits.

Nigeria's pension landscape has transitioned from the Defined Benefit (DB) scheme to the Contributory Pension Scheme (CPS) introduced by the Pension Reform Act of 2004 and reinforced in 2014. This shift was driven by the need to correct decades of pension arrears, record mismanagement, corruption, and untenable government liabilities (Nwafor, 2013; Nwanne, 2015). Under the CPS, employers and employees jointly contribute a statutory percentage of monthly emoluments to Retirement Savings Accounts (RSAs), with employers mandated to remit their contributions promptly (PenCom, 2014).

The success of this system depends heavily on regular employer remittances and integrity in pension administration. Any deviation, whether through non-remittance or corruption, undermines pension sustainability and retirees' welfare.

Theoretical Framework

Social Protection Theory

Social Protection Theory emphasises the obligation of the state and institutions to safeguard citizens from economic vulnerability, particularly during old age (Devereux & Sabates-Wheeler, 2004). Pension schemes function as a core social protection mechanism. However, when employers fail to remit statutory contributions or when pension administrators engage in corrupt practices, retirees' economic stability is jeopardised. Thus, the Nigerian pension system's dysfunctions represent a breakdown of social protection responsibilities.

Agency Theory

Agency theory evaluates the relationship between principals (workers/pensioners) and agents (employers and pension administrators). Jensen and Meckling (1976) argue that agents may pursue their own interests at the expense of principals when monitoring is weak. Within Nigeria's pension sector, non-remittance and corruption reflect agency failures enabled by weak regulatory enforcement (Odia & Okoye, 2012).

These theories collectively underscore the vulnerabilities pensioners face when institutional compliance and accountability mechanisms deteriorate.

Empirical Review

Non-Remittance of Employer Contributions and Pensioners' Welfare

Employer non-remittance of pension contributions is a pervasive challenge in Nigeria's contributory pension framework. Research consistently shows that many employers—particularly in state and local government institutions—delay or fail to remit the statutory 7.5% counterpart contribution, leading to incomplete RSA balances and reduced pension benefits at retirement (Onifade & Ajani, 2021).

According to Oladipo and Fashagba (2012), timely remittance is the core foundation for the sustainability of the CPS. Yet, PenCom (2019) reports billions of naira in unremitted contributions across the country, with some arrears spanning several years. This has direct welfare implications, as retirees receive lower-than-expected monthly pensions and lump-sum payments.

Studies also demonstrate that non-remittance creates long-term financial insecurity among pensioners. Mathew and Emmanuel (2019) note that retirees exposed to contribution deficits struggle with medical expenses, nutrition, and basic needs, often resulting in reduced quality of life. Agba and Ocheni (2017) further argue that households of pensioners in states with high non-remittance rates experience higher poverty risks.

Non-remittance additionally undermines workers' trust in the pension system. Odiaka (2018) observes that employees become reluctant to participate or fully comply with pension deductions when they discover that employers are defaulting. Such distrust threatens the legitimacy and sustainability of the entire pension regime.

The literature therefore shows a consistent link between non-remittance, diminished pension fund accumulation, inadequate retirement benefits, and declining welfare among Nigerian retirees.

Corruption in Pension Administration and Its Effect on Pension Efficiency

Corruption is one of the most widely documented obstacles to effective pension administration in Nigeria. Evidence suggests that pension institutions at federal and state levels have been plagued by fraudulent activities, embezzlement, bribery, falsification of records, and the proliferation of ghost pensioners (Ugwu, 2006; Odiaka & Okoye, 2012).

Ugwu (2006) categorises corruption in pension administration into several forms:

- diversion and embezzlement of pension funds,
- manipulation of pension records,

- bribery to accelerate benefit processing,
- collusion in creating ghost pensioners, and
- misappropriation during verification exercises.

The notorious 2010–2013 pension scandal involving senior public officers, where billions of naira were syphoned from pension accounts, illustrates the systemic nature of corruption (Okotoni, 2014).

Corruption has profound consequences for pension administration. It creates administrative bottlenecks, lengthens verification processes, inflates pension liabilities, and reduces funds available for investment (Omoniyi & Adebayo, 2020). Nwanne (2015) observes that corrupt practices undermine pension record accuracy, often resulting in wrongful omission of legitimate pensioners or delays lasting several years.

From a welfare perspective, corruption imposes emotional and financial burdens on pensioners. Olatunji and Oladipo (2018) note that pensioners are frequently extorted by officials who demand payment to “fast-track” pensions. Okoye (2019) highlights the psychological trauma retirees experience when they repeatedly undergo verification due to lost or falsified files.

Weak regulatory oversight sustains corruption. Okuhle and Afolabi (2021) argue that although PenCom has enforcement powers, political interference, limited manpower, and institutional weakness reduce its effectiveness. These systemic gaps allow corruption to persist across pension institutions.

The empirical literature thus demonstrates that corruption poses a severe threat to pension sustainability, administrative transparency, and retirees' overall welfare. While extensive studies have examined pension challenges in Nigeria, few have focused specifically on the joint effects of employer non-remittance and administrative corruption on pensioners' welfare. Additionally, limited research contextualises these issues within specific states such as Akwa Ibom, where variations in compliance and governance may influence pension outcomes. This study addresses these gaps by examining how these two critical factors undermine effective pension administration and pensioner welfare.

Methodology

This study adopted a descriptive survey research design to obtain empirical evidence on how non-remittance of employer pension contributions and corruption among pension administrators affect effective pension administration and pensioners' welfare in Nigeria. The study was conducted in Akwa Ibom State, selected due to its sizable civil



service workforce and recurring pension administration challenges that mirror national trends. The target population comprised retirees under the Contributory Pension Scheme (CPS) and pension administrators within relevant ministries, departments, agencies, and Pension Fund Administrators (PFAs). From this population, a sample of 120 respondents was selected using purposive sampling for administrators, owing to their specialised knowledge, and simple random sampling for retirees to ensure fair representation across demographic categories.

Data were collected using a structured questionnaire titled *Pension Administration Effectiveness Assessment Questionnaire (PAEAQ)*, which consisted of items designed to measure the extent of non-remittance of employer contributions and the prevalence of corrupt practices in pension administration. The instrument was validated by experts in educational measurement and public administration to ensure clarity, relevance, and alignment with the study's objectives. To establish reliability, a pilot test was conducted with 20 respondents outside the study area, and the internal consistency of the instrument was confirmed using the Cronbach Alpha method, yielding coefficients of 0.81 for non-remittance items, 0.86 for corruption items, and an overall reliability index of 0.84, indicating that the instrument was consistent and dependable for data generation.

Data collection was carried out through direct administration of the questionnaire with the assistance of trained research aides, who ensured that respondents were properly briefed on the purpose of the study and assured of confidentiality and anonymity. Retrieved questionnaires were coded and analysed using both descriptive and inferential statistics. Mean and standard deviation were employed to answer the research questions, guided by a criterion mean of 2.50 for decision-making, while independent t-test statistics were used to test the hypotheses at a 0.05 significance level. This analytical procedure provided a robust framework for assessing the influence of non-remittance and corruption on pension administration and pensioner welfare.

Results and Discussion

Impacts of Employer's Failure to Remit Counterpart Contributions on Pensioners' Welfare in Nigeria

Table 1: Analysis of respondents from question I: What have been the impacts of the employer's failure to remit counterpart contributions on pensioners' welfare in Nigeria?

S/N	Items	SA	A	SD	D	Total
1	The failure of employers to remit counterpart contributions has significantly harmed pensions welfare in Nigeria	169	147	18	17	351
2	The delay or non-remittance of counterpart contributions affects the timeliness of pension payment in Akwa Ibom State.	167	158	10	16	351
3	Pensioner's quality of life is negatively impacted by non-remittance of counterpart contribution by the federal government.	154	173	13	11	351
4	Lack of enforcement against employer's failure to remit contributions exacerbated pensioners welfares issues in Akwa Ibom State.	171	154	17	9	351
5	The inadequate monitoring of counterpart contributions contributes to pensioner's financial instability in Nigeria.	167	158	10	16	351

Source: Field Data (2024)

Findings from Table 1 indicate a strong consensus among respondents that non-remittance of counterpart contributions has significantly affected pensioners' welfare in Nigeria. A total of 316 respondents (SA + A) agreed that failure of employers to remit contributions harms pensioners' welfare, compared to only 35 respondents (SD + D) who disagreed. Similarly, 325 respondents agreed that delays or non-remittance affect the timeliness of pension payments in Akwa Ibom State. Respondents also overwhelmingly acknowledged that the quality of life of pensioners is negatively affected, with 327 (SA + A) agreeing to this item.

Furthermore, the results show that inadequate enforcement mechanisms worsen the non-remittance problem, as 325 respondents agreed that lack of enforcement exacerbates welfare challenges for pensioners. Finally, 325 respondents similarly agreed that inadequate monitoring of employer contributions contributes significantly to pensioners' financial instability. Collectively, these findings demonstrate a clear pattern: employer non-remittance is a major determinant of poor welfare outcomes and financial vulnerability among Nigerian pensioners.

Effects of Corrupt Practices Among Pension Administrators on Effective Pension Administration in Nigeria

Table 2: Analysis of respondents from question II: How do corrupt practices among pension administrators affect effective administration of pensions in Nigeria?

Statement	SA	A	SD	D	Total
6 Corruption among pension administrators significantly undermines the effectiveness of pension administration in Nigeria.	171	154	12	14	351
7 Pensioners often face delays in receiving their benefits due to corruption in pension administration	169	132	25	25	351
8 Corruption among pension administrators affect the transparency of pension fund usage in Nigeria	177	126	23	25	351
9 The effectiveness of pension administration is compromised by fraudulent activities of pension administrators in Nigeria	167	158	10	16	351
10 The public trust in pension system is eroded by the presence of corruption among pension administrators and government officials in Nigeria.	154	148	25	24	351

Source: Field Data (2024)

Results from Table 2 further reveal that corruption among pension administrators poses a substantial barrier to effective pension administration. A total of 325 respondents (SA + A) agreed that corruption significantly undermines pension administration in Nigeria. Respondents also indicated that corruption leads to delays in receiving benefits, with 301 respondents agreeing and only 50 respondents disagreeing.

Additionally, 303 respondents agreed that corruption affects transparency in the use of pension funds, while 325 respondents agreed that fraudulent activities compromise the overall effectiveness of pension administration. The erosion of public trust emerged as another critical consequence of corruption, with 302 respondents affirming that corruption among pension administrators and government officials undermines confidence in the pension system.

These findings show a consistent pattern: corruption diminishes transparency, delays pension payments, fuels fraudulent activities, and significantly erodes public trust, thereby weakening effective pension administration across Nigeria.

Test of Hypotheses

Ho₁: There is no significant relationship between employer non-remittance of counterpart contributions and pensioners' welfare in Nigeria.

Table 3: Final result of chi-square calculation for hypothesis I (Statements 1-5)

R – C	Fo	Fe	Fo – Fe	(Fo – Fe) ²	(Fo – Fe) ² / Fe
1-1	169	65.6	103.4	10691.56	162.98
1-2	147	158	-11	121	0.77
1-3	18	12	6	36	3
1-4	17	15.4	1.6	2.56	0.17
2-1	167	65.6	101.4	10281.96	156.74
20-2	158	158	0	0	0
2-3	10	12	-2	4	0.33
2-4	16	15.4	06	36	2.34
3-1	154	65.6	88.4	7814.56	119.12
3-2	173	158	15	225	1.42
3-3	13	12	1	1	1
3-4	11	15.4	-4.4	19.36	1.26
4-1	171	65.6	105.4	11109.16	169.35
4-2	154	158	-4	16	0.10
4-3	9	12	-3	9	0.75
4-4	17	15.4	-1.17	1.36	0.09
5-1	167	65.6	0.33	0.12	0.01
5-2	158	158	-0.33	0.12	0.01
5-3	10	12	1.17	1.36	0.11
5-4	16	15.4	-1.17	1.36	0.09
Total					619.64

Source: Field Data (2024)

H₀₁: There is a significant relationship between employer non-remittance of counterpart contributions and pensioners' welfare in Nigeria.

Table 3 presents the chi-square results for items related to employer non-remittance and pensioner welfare. The analysis yielded a chi-square calculated value of $\chi^2 = 619.64$, which is greater than the chi-square critical value of 24.996 at the 0.05 level of significance with the appropriate degrees of freedom. Based on this outcome, the null hypothesis is rejected, and the alternative hypothesis is accepted. This indicates that a statistically significant relationship exists between employer non-remittance and pensioners' welfare in Nigeria.

This result reinforces existing scholarly findings. According to Afolabi (2021), failure by employers to remit counterpart pension contributions directly reduces the accumulation in retirees' savings accounts, leading to delays and inadequacies in pension benefits. Okoro and Chukwudi (2022) similarly report that irregular or non-remitted contributions heighten financial insecurity among pensioners and weaken the structural integrity of pension schemes. These findings align with Nwachukwu (2020), who observes that financial inefficiencies in public-sector pension management exacerbate economic vulnerability among retirees, undermining their access to essential services and diminishing their quality of life.

Also, Omotayo and Adedeji (2019) note that poor funding of welfare systems, including pensions, has a broader ripple effect across national development. Their findings suggest that non-remittance not only destabilizes pensioners financially but also limits resources available for other social and economic development initiatives. Thus, the significant statistical relationship found in this study corroborates the broader argument that ensuring compliance with remittance obligations is essential for safeguarding pensioner welfare and sustaining long-term social security objectives in Nigeria.

Test of Hypothesis II

H₀₂: Corrupt practices among pension administrators do not significantly affect effective pension administration in Nigeria.

Table 4: Final result of chi-square calculation for hypothesis II (statements 6-10)

R – C	Fo	Fe	Fo – Fe	(Fo – Fe) ²	(Fo – Fe) ² / Fe
6-1	171	167.6	3.4	11.56	0.07
6-2	154	144.2	9.8	96.04	0.67
6-3	12	19	-7	49	2.58
6-4	14	20.2	6.2	38.44	1.90
7-1	169	167.6	1.4	1.96	0.01
7-2	135	144.2	-9.2	84.64	0.58
7-3	25	19	6	36	1.89
8-4	22	20.2	1.8	3.24	0.16
8-1	177	167.6	-0.67	0.45	0.02
8-2	126	144.2	-18.2	331.24	2.29
8-3	23	19	4	16	0.84
8-4	25	20.2	4.8	23.04	1.14
9-1	167	167.6	-0.6	0.36	0.02
9-2	158	144.2	13.8	190.44	1.32
9-3	10	19	-9	81	4.26
9-4	16	20.2	-4.2	17.64	0.87
10-1	154	167.6	-13.6	184.96	1.10
10-2	148	144.2	3.8	14.44	0.10
10-3	25	19	6	36	1.89
10-4	24	20.2	3.8	14.44	0.71
Total					24.91

Source: Field Data (2024)

Test of Hypotheses

The chi-square results for items addressing corruption in pension administration are presented in Table 4. The analysis produced a chi-square calculated value of $\chi^2 = 24.91$, which is greater than the chi-square critical value of 16.919 at the 0.05 significance level. Consequently, the null hypothesis is rejected, and the alternative hypothesis is accepted. This confirms that corrupt practices among pension administrators significantly affect the effectiveness of pension administration in Nigeria.

This finding is consistent with a substantial body of literature on corruption in public financial management. Nwachukwu (2020) identifies embezzlement, misappropriation of pension funds, bribery, and fraudulent record manipulation as major barriers to efficient pension administration. These corrupt practices create systemic delays, generate pension arrears, and hinder retirees' access to their entitlements. Similarly, Afolabi (2021) asserts that corruption erodes institutional trust, rendering pension systems opaque and unreliable.

Okoro and Chukwudi (2022) further argue that corruption weakens administrative capacity, reduces available pension resources, and undermines public confidence in government-led retirement programmes. Their findings affirm that corruption not only disrupts payment processes but also damages the credibility of the entire pension administration structure. The result of this hypothesis test, therefore, confirms the widespread scholarly consensus that corruption remains a pervasive threat to pension system sustainability and the financial well-being of retirees in Nigeria.

Discussion of Findings

The results of the first hypothesis test demonstrate a statistically significant relationship between employer non-remittance of counterpart contributions and the welfare of pensioners in Nigeria. With a chi-square calculated value of 619.64 exceeding the critical value of 24.996 at the 0.05 significance level, the study confirms that non-remittance meaningfully contributes to the poor welfare outcomes experienced by retirees. This finding underscores the central importance of consistent and accurate funding in the Contributory Pension Scheme (CPS), as the failure of employers to remit statutory contributions deprives retirees of timely and adequate pension benefits. Afolabi (2021) asserts that such failures expose pensioners to financial hardship, creating gaps in expected retirement income and jeopardising their economic security. Similarly, Okoro and Chukwudi (2022) emphasise that irregular remittances weaken the structural integrity of pension schemes, resulting in reduced pension balances, delayed payments, and diminished reliability of the retirement income system. Beyond the immediate financial consequences, non-remittance contributes to broader social insecurity, as insufficient pension payments exacerbate retirees' vulnerability, limit their access to healthcare, and reduce their overall quality of life (Nwachukwu, 2020). Furthermore, research from Omotayo and Adedeji (2019) suggests that chronic underfunding of pension systems also restricts the resources available for other social welfare and development initiatives, thereby undermining national progress. The findings therefore highlight the urgent need for stringent enforcement of remittance obligations to strengthen pension sustainability and improve retirees' welfare.

The findings from the second hypothesis also reveal a statistically significant relationship between corrupt practices among pension administrators and the effectiveness of pension administration in Nigeria. The chi-square value of 24.91, which exceeds the critical value of 16.919 at the 0.05 significance level, confirms that corruption severely undermines transparent and efficient pension management. This result is consistent with a wide body of empirical literature that identifies corruption,

manifesting as embezzlement, diversion of pension funds, falsification of records, and extortion, as a major impediment to pension administration (Nwachukwu, 2020). Such practices create administrative bottlenecks, delay benefit processing, and elevate pension arrears, leaving retirees financially stranded despite decades of public service. Afolabi (2021) further argues that corruption erodes institutional trust, making pension systems appear opaque, unpredictable, and unsafe for contributors. Likewise, Okoro and Chukwudi (2022) emphasise that corruption disrupts the capacity of pension agencies to deliver timely and adequate benefits, thereby weakening the legitimacy of pension reforms and exacerbating retirees' financial difficulties. These findings collectively underscore the need for comprehensive reforms in pension governance, including enhanced regulatory oversight, digital monitoring mechanisms, and strict anti-corruption measures. Such reforms are essential for restoring public confidence, ensuring transparency, and improving the overall effectiveness of pension administration in Nigeria.

Summary and Conclusion

This study investigated two critical issues affecting the effectiveness of pension administration in Nigeria: **(i)** the impacts of employer non-remittance of counterpart pension contributions on pensioners' welfare and **(ii)** the extent to which corrupt practices among pension administrators undermine effective pension administration. The study's findings provide clear evidence that these two factors significantly contribute to the persistent challenges experienced by pensioners in Nigeria, including delayed benefits, financial insecurity, and declining trust in the Contributory Pension Scheme (CPS).

For the first hypothesis, the chi-square result yielded a calculated value of 619.64, exceeding the critical value of 24.996 at the 0.05 level of significance. This led to the rejection of the null hypothesis and the acceptance of the alternative hypothesis, confirming a statistically significant relationship between employer non-remittance of counterpart contributions and poor pensioners' welfare. The findings demonstrate that failure to remit contributions disrupts the financial foundation of pension accounts, resulting in inadequate retirement benefits and increased vulnerability among retirees. This supports earlier studies (Afolabi, 2021; Okoro & Chukwudi, 2022; Nwachukwu, 2020) that assert that non-remittance not only undermines pensioners' financial stability but also weakens the credibility and sustainability of the pension system.

Similarly, the second hypothesis testing yielded a chi-square calculated value of 24.91, surpassing the critical value of 16.919, leading to the rejection of the null hypothesis. This confirms a significant relationship between corrupt practices among pension administrators and ineffective pension administration in Nigeria. The findings reveal that corruption (manifested in embezzlement, misappropriation of funds, falsified records, extortion, and administrative manipulation) directly obstructs the timely and transparent processing of pension benefits. This aligns with prior research (Nwachukwu, 2020; Afolabi, 2021; Okoro & Chukwudi, 2022) emphasising that corruption remains a core obstacle to pension efficiency and contributes to pensioners' prolonged financial hardship.

Overall, the study's findings clearly establish that employer non-remittance and administrative corruption are major systemic barriers to effective pension administration in Nigeria. These challenges erode the welfare of pensioners, diminish trust in pension governance, and impede efforts to create a transparent and reliable retirement system.

Recommendations

Based on the findings aligned with the two objectives, the study makes the following recommendations:

- i. The government and PenCom should intensify enforcement of compulsory remittance laws, imposing strict penalties on employers who delay or fail to remit their counterpart contributions. Automated compliance tracking systems should be implemented to detect defaulting employers in real time. Ensuring timely remittances will greatly enhance pensioners' welfare.
- ii. Given the strong link between corruption and ineffective pension administration, pension management institutions should adopt transparent digital platforms for pension processing, record-keeping, audits, and benefit disbursement. Independent anti-corruption committees should be established to monitor pension transactions and investigate fund diversion.
- iii. The federal government should revisit and reform existing pension governance frameworks to enhance accountability and transparency. Strengthened oversight by PenCom, including digital auditing, regular sanctions, and improved monitoring of pension administrators, will help curb corruption and ensure efficient pension delivery.

Contribution to Knowledge

Aligned with the study's objectives, this research makes the following contributions:

- i. The study provides empirical evidence demonstrating how employer non-remittance of pension contributions directly reduces pensioners' welfare in Nigeria.
- ii. It offers new insights into the ways corrupt practices among pension administrators hinder effective pension administration and delay retirees' access to benefits.
- iii. It deepens scholarly understanding of systemic weaknesses within Nigeria's Contributory Pension Scheme, focusing specifically on remittance compliance and administrative integrity.
- iv. The study contributes to pension reform discourse by identifying actionable areas where policy interventions can strengthen transparency, accountability, and retirees' financial security.

Suggestions for Further Research

Based on the study's findings and limitations, the following areas are recommended for future research:

- i. A comparative assessment of how employer remittance compliance differs between the public and private sectors, and its implications for pensioner welfare.
- ii. An in-depth investigation into the effectiveness of digital technologies in reducing corruption and enhancing transparency in pension administration.
- iii. A longitudinal study examining how consistent remittance patterns over time influence long-term pension fund growth and retirees' financial outcomes.
- iv. An evaluation of anti-corruption reforms within pension agencies to determine their effectiveness in addressing administrative malpractice.

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