



# SOW PROFESSIONAL SERVICES LTD

...WE CREATE EDGE FOR BUSINESSES

**TAX/AUDIT/MANAGEMENT CONSULTING/  
DIGITAL OPTIMISATION/TRAINING**

**WEEKLY ARTICLE:**

**HOW TO PROCESS  
PENCOM CERTIFICATE**

The National Pension Commission (PENCOM) commenced the issuance of Pension Clearance Certificates (PCC) to organizations in 2012. The PCC is evidence of compliance with the PRA 2014 and a prerequisite for all suppliers, contractors, or consultants, soliciting any contract or business from Federal Government Ministries, Departments, and Agencies (MDAs). Therefore, PENCOM issues PCCs to organizations that apply and have fully complied with the set requirements.

The Pension Reform Act, 2014 (PRA 2014) makes it mandatory for all organizations with at least three employees to participate under the Contributory Pension Scheme (CPS). Compliance with the PRA 2014 by employers includes the following:

- Ensuring all employees open a Retirement Savings Account (RSA) with any Pension Fund Administrator (PFA) of their choice.
- Remitting employer and employee monthly pension contributions to the appropriate Pension Fund Custodian (PFC), no later than seven working days from the date of payment of salaries.
- Transferring Pension Funds and Assets in their custody prior to the commencement of the CPS to licensed pension operators.
- Provision of Group Life Insurance Policy (GLI) for their staff.

### Documentation Requirements

A company wishing to obtain the PCC can do so by forwarding an application to PENCOM and attaching the following:

- A certified list of employees of the organization as at the end of the last fiscal year;
- Certified rates of monthly contributions indicating the employer portion (minimum of 10 percent) and employee portion (minimum 8 percent) and;
- Evidence of remittance of pension contributions for the last three fiscal years, for organizations that were in existence for that period, and, from the date of incorporation/registration/licensing to the last fiscal year, for organizations that have not been in existence for that period. In addition, the organization must also attach evidence of transfer of pension fund and assets for any pre-2004 retirement benefits scheme into the employees' RSAs, where applicable; evidence of remittance of all outstanding pension contributions and penalties, where applicable; and evidence of valid Group Life Insurance Policy, which should include Certificate of Group Life Insurance, Policy Document and evidence of payment.

Applications for the PCC can be submitted at either the Commission's Head office in Abuja or any of the Commission's Zonal Offices.

## Processing of Certificates

The processing of certificates is carried out at the Commission's Head Office. In processing the applications for the PCC, the Commission is guided by one of the primary objectives of the PRA 2014, which is to ensure that every person who works in either the public or private sector receives his benefits as and when due. Under the CPS, benefits can only be received as and when due where the employer remits its employees' pension contributions as appropriate.

The applications are processed within the advertised time frame of 15 working days, provided that all requirements are met. In the event of any deficiency in an application, a notification is forwarded to the applicant for remedial action before the issuance of the PCC. However, the PCC will not be issued if the applicant fails to provide the requested documents. The PCC issued by PENCOM is valid for one year, from January to December. However, applications are processed throughout the year, and regardless of the date of issuance, the validity of all PCCs expires by 31st December.

For more enquiry on how to process  
PENCOM Certificate,  
kindly contact us at SOW Professional Services Ltd

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**THANK YOU!**