



Retire  
Happily

Fidelity Pension Managers  
**Voluntary**  
Contribution Scheme

[www.fidelitypensionmanagers.com](http://www.fidelitypensionmanagers.com)



## Introduction

The principal purpose of the Pension Reform, which is outlined in the Pension Reform Act (PRA) 2014, is to create a sustainable pension system with capacity to provide a stable, predictable, and adequate source of retirement income. In a bid to achieve this goal, and to cater for the needs of those individuals desirous of saving more towards their retirement, National Pension Commission (PenCom), in line with Pension Reform Act (PRA) 2014, released a guideline on Voluntary Contribution to provide the procedure for making voluntary contributions, and modalities for withdrawal. Section 4 (3) of the PRA 2014 provides a platform for an RSA holder to make voluntary contributions, in addition to the statutory contributions being made by him/her, and employer. The categories of individuals specified under Section 2 (1), Section 2 (3), Section 4 (7), and Section 5 of the PRA 2014 are provided with the opportunity to make voluntary contributions into their Retirement Savings Account. These categories include:



## Introduction

- Employees adopting pension through a Closed Pension Fund Administrator (CPFA).
- Officials of the Armed Forces and Intelligence & Secret Services of the Federation.
- Persons appointed by the President, State Government & elected officers to hold office for a stipulated tenor.
- Individuals covered under the Micro-Pension Scheme.
- Any foreigner residing or working in Nigeria in the Formal Sector.
- Retirees under defined benefit scheme (DB).
- Retirees under contributory pension scheme (CPS).

**Note:** It is important that we state that Voluntary Contribution (VC), and Additional Voluntary Contribution (AVC) are not the same thing. Both are similar, but with a critical difference. While the VC product is for all of the above listed category of workers, the AVC is strictly for Formal sector workers, yet to retire, who are enrolled in CPS, and CPFA, as employees of private organizations, and then Public Sector (non-elected) workers.



# Features

## I. Ease of Contribution

Voluntary Contribution refer to additional contributions you may decide to include to your mandatory pension contributions for the purpose of augmenting them, or simply to set aside some funds as savings towards a goal other than retirement. These contributions differ from the regular pension contribution and are deducted separately. These additional contributions will be deducted from your monthly emoluments by your employer, and remitted into your Fidelity Pension Retirement Savings Account (RSA), alongside your usual monthly pension contributions.

## II. Flexibility in contribution

An additional advantage, and a major difference, from regular pension contributions, is that YOU are at liberty to decide the amount you wish to contribute. It is pertinent to note that you are restricted to contributing only once in a month.

Voluntary Contributions differ from other regular savings you may have, as it is deducted from your salary before tax. This peculiarity is a significant advantage of Voluntary Contributions, as it means the contributions are tax-free and lower your overall tax liability, thereby aiding you in saving more money



## Features

### III. Investment of the funds

The funds received from your employer as Voluntary Contributions are invested in a diversified portfolio in accordance with guidelines released by the National Pension Commission (PENCOM). This ensures that your contributions do not remain dormant, but generate income, thereby increasing their value. In addition, it also hedges your contributions against the corrosive effects of inflation, as capital preservation is a guiding tenet in the management of funds at Fidelity Pension Managers Limited.

Voluntary contributions also augment your pension contributions, ensuring that you retire happily and live your life to the fullest thereafter.



## Benefits

### I. Flexibility

When you decide to commence VC, you have absolute control over the amount, and frequency of the VC. You can also increase, or decrease, the amount, or temporarily cease the VC without accruing any penalties, or additional costs.

### II. Tax Savings

Voluntary Contributions are deducted from your total emoluments before tax. Therefore, it immediately reduces the total taxable portion of the contributor's remuneration. From a financial perspective, this immediately saves the contributor more money which will, in the long term, accrue to massive savings for said contributor.

### III. Convenient Savings Plan

Contributions can be tailored to act as mid to long-term savings plans to help achieve identified projects, or specified goals. The contributions can be used to meet property ownership requirements (mortgage contributions or outright ownership);



## Benefits

it can be structured to be withdrawn to meet the educational fees of the children; a family vacation; or even designed to aid in the establishment of a business. As with many things, the only limit is your imagination.

### IV. Competitive Investment Returns

Contributions are invested in quality asset classes in a diversified portfolio mix. Our investment strategy is tailored towards achieving the best returns while taking risk into consideration.

## Contribution

Every employee covered under the contributory pension scheme is eligible to make Voluntary Contributions (or Additional Voluntary Contributions.) All you need to do is inform the relevant department in your organization (e.g. Human Resources or Finance) about your desire to make voluntary contributions, stating the additional amount to be deducted from your monthly emoluments and remitted to your PFA - Fidelity Pension Managers Limited.



## Withdrawal

To withdraw from your Voluntary Contribution account, all you need to do is complete and submit our Voluntary Contributions withdrawal form, and attach relevant supporting documents. Your application will be processed, and your benefits will be paid within 10 working days of submission of application to the National Pension Commission (Pencom), subject to the Commissions' approval that you have met all sundry requirements. The time frame for withdrawal from your Voluntary/Additional voluntary account has been fixed by PENCOM to be once every 2 years. We recommend that you keep your Voluntary Contributions In your RSA for a minimum of five (5) years to take maximum advantage of the tax exemptions provided for that time frame. In accordance with the guidelines, 50% of your contributions shall be treated as contingent, which will be available for withdrawal within the stipulated time frame of every 2 years, while the remaining 50% shall be fixed for pension, and utilized at date of retirement to augment the contributor's retirement benefits.





## Why Choose Fidelity Pension Managers Limited?

Fidelity Pension Managers Limited, with its many years of experience in Pension/Gratuity, and Endowment Fund Management, is poised to bring these experiences to bear in the management of your funds. We will deploy techniques that will enhance the daily value of your pension assets; reduce management and administrative costs for you, and mitigate inflation. All these are aimed towards, passionately, ensuring the safety of your assets.

In our eleven(11) years of operation, through our calculative and result-oriented portfolio structuring techniques, we have been able to hedge our managed funds against the hostile financial markets characterized by volatility which causes unpredictable swings between extremes of 'low' and 'high' returns in the market. We have developed portfolio structuring techniques to, permanently; sustain a prudent management culture that affords our clients the luxury of growth predictability in an uncertain environment.



**PENSION**

## **Why Choose Fidelity Pension Managers Limited?**

Voluntary Contributions are pooled into the Fidelity Pension Managers Pension RSA Funds and, therefore are invested and managed in the same rigorous and committed manner as your regular pension contributions. The Fidelity Pension Managers Voluntary Contribution, and RSA funds are managed by our team of experienced, and conscientious investment professionals, and, therefore would enjoy our noted investment management expertise.

In addition, our team of customer service professionals are ever ready to listen to you, and respond, effectively, to your needs and requests.

A Sample Of Voluntary Contributions Of  
N100, 000.00 Per  
Month For Five Years

**Tax Rate: Assumed to be 18%**

**Annualized Returned: Assumed to be 12%**

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Monthly Salary (N)	OBI	SEGUN	IBRAHIM
Gross Salary (N)	350,000	350,000	350,000
AVC contribution	0	0	100,000.00
Taxable Income	350,000	350,000	250,000
Taxation at 18%	63,000	63,000	45,000
Net Salary per month	287,000	287,000.00	205,000
AVC Contributions for 5 years	0	0	6,000,000.00
Returns on AVC at 12%	0	0	2,538,226.85
Tax savings per month	0	0	18,000
<b>Tax saving + AVC returns</b>	<b>0</b>	<b>0</b>	<b>3,618,226.85</b>

## HOW DO I SIGN UP?

We are available to answer all your questions, and help you start a simple savings plan today.

Call us on **01-2777300** or send an

email to [avcsales@fidelitypensionmanagers.com](mailto:avcsales@fidelitypensionmanagers.com)