



IGP Country Profile **Nigeria**



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Customary employee benefits

Death benefits

Death benefits are provided under the Employee Compensation Act (ECA) and group life insurance. Compensation to dependents ranges from 30% to 90% of the deceased employee's monthly remuneration, depending on circumstances.

Additionally, under group life insurance (as mandated by the Pension Reform Act), the benefit payable is a minimum of 300% of the employee's annual total emoluments.

Disability benefits

Disability benefits include compensation for permanent and temporary disability. Mental stress and occupational injuries are covered.

Retirement benefits

Under the Pension Reform Act, mandatory contributions to a Retirement Savings Account (RSA) are:

- Employer: minimum 10% of monthly emoluments
- Employee: minimum 8% of monthly emoluments

Post-retirement benefits are accessed through:

- Programmed Withdrawals administered by Pension Fund Administrators (PFAs) under PenCom regulations, or
- Retiree Life Annuity purchased from an insurance company licensed by NAICOM.

Both options provide periodic pension payments for life, with rules on lump-sum withdrawals and minimum income thresholds

Legislative news

Social protection

The government and its social protection partners have made significant progress in the past few years towards creating a social protection floor with the aim of extending social protection to all Nigerian residents:

- The [Nigeria Social Insurance Trust Fund \(NSIFT\)](#), a platform for social aid coordination that serves as the administrative arm of a sizable federal and state-level social safety net program.
- A significant reform of the [National Health Insurance Scheme \(NHIS\)](#) was started through the approval of the National Health Insurance Authority Act in 2022, which makes health insurance mandatory for all Nigerians (goal to have universal health coverage by 2030). Multinational companies are increasingly offering private health insurance to supplement the National Health Insurance Scheme (NHIS), especially for senior staff and expatriates, ensuring broader coverage and access to premium healthcare services.
- The development of a [digital national identity system](#) aims to connect citizens with social government services, ensuring financial inclusion for all in the long run.

Nigerian Insurance Industry Reform Act (NIIRA) 2025

Signed into law in August 2025, NIIRA consolidates outdated insurance laws and introduces:

- Stricter licensing requirements
- Enhanced consumer protection
- Greater transparency and market confidence

Minimum Wage Update

The National Minimum Wage Amendment Act 2024 increased the wage floor from NGN 30,000 to NGN 70,000/month, with a shortened review cycle from five to three years. The new rate applies retroactively from May 1, 2024, aligning wages with inflation and cost-of-living trends.

This change may influence the structuring of employee benefits, especially in sectors with large workforces.



Typical employee benefits plans and benchmarking

What may be included in an employee benefit plan

- Mandatory Group Life Insurance Policy
- Employers Compensation policy administered by the Nigeria Social Insurance Trust Fund.
- Retirement benefit
- Health Insurance

The mandatory group life insurance policy mandates every employer of labor to take up this policy for its employees and cuts across all industries and sectors. The benefit is to be linked to the annual total emoluments (ATE) for each employee. The intended payout benefit should be a minimum of 3 times ATE at any given instance.

Oil & gas sector

Companies in this sector typically offer Group Life Insurance coverage of 5x Annual Total Emoluments (ATE), exceeding the statutory minimum. Additional benefits include comprehensive medical insurance, housing allowances, performance-based bonuses, and international mobility packages.

Finance & telecommunications sectors

These industries generally comply with the 3x ATE requirement for Group Life Insurance. Common additional benefits include educational support for dependents, enhanced retirement savings plans, and transportation subsidies.

Pension Contributions

Under the Pension Reform Act, employers must contribute 10%, and employees 8% of monthly emoluments. However, some multinationals choose to fully fund the 18% contribution, offering a more attractive retirement package to retain top talent.

Compliance & Certification

Maintaining an active Group Life Assurance policy is a prerequisite for obtaining a PenCom compliance certificate, which is publicly listed. This certificate is a key benchmark for multinational companies operating in Nigeria.

Useful links

Demographic information and macro-economic indicators

[CIA World Factbook](#) (please select the country to review)

[World Bank Group](#) (please select the country to review)

National Pension Commission

www.pencom.gov.ng

Nigeria Social Insurance Trust Fund

nsitf.gov.ng

More information on emPLE Life Assurance Limited

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11/05/2025 - WCAG AA