

**I.T. Akindele<sup>1</sup>**, **B.O. Oginni<sup>2\*</sup>**,  
**M.S. Kasumu<sup>2</sup>**, **O.B. Akande<sup>2</sup>**

<sup>1</sup>University of Ilorin, Kwara State, Nigeria

<sup>2</sup>Osun State University, Osun State, Nigeria

\*e-mail: [babalola.oginni@uniosun.edu.ng](mailto:babalola.oginni@uniosun.edu.ng)

## **NEXUS BETWEEN RETIREMENT BENEFITS AND STANDARD OF LIVING: THE CASE OF CIVIL SERVICE RETIREES IN NIGERIA**

This study examined the nexus between retirement benefits and the standard of living of Osun State civil service retirees. The study identified pension schemes, gratuity, and healthcare services as the basic retirement benefits offered by the Osun State Government to retired civil servants, which were also the variables used to measure the standard of living of retired civil servants. A questionnaire as the research instrument was administered to 363 respondents obtained from the Nigeria Union of Pensioners in Osogbo, Osun State. Findings from the study showed that the pension scheme is adequate and there exists a strong relationship between the variables of retirement benefits (pension schemes, gratuity, and healthcare services), and the standard of living of the retirees. The study concluded that the module operandi of retirement benefits as currently being practiced affects the standard of living of retirees negatively and thus, recommended that the implementation of pension schemes, gratuity, and healthcare services should reflect socio-economic factors with priority on inflation and social support systems.

**Key words:** pension schemes, gratuity, and healthcare benefits, standard of living, retirement, well-being.

И.Т. Акинделе<sup>1</sup>, Б.О. Огинни<sup>2\*</sup>, М.С. Касуму<sup>2</sup>, О.Б. Аканде<sup>2</sup>

<sup>1</sup>Илори университеті, Квара, Нигерия

<sup>2</sup>Осун мемлекеттік университеті, Осун, Нигерия

\*e-mail: [babalola.oginni@uniosun.edu.ng](mailto:babalola.oginni@uniosun.edu.ng)

### **Зейнетақы төлемдері мен өмір сүру деңгейінің өзара байланысы: Нигериядағы мемлекеттік қызметтен зейнетке шыққандардың мысалы**

Бұл зерттеу Осун штатының мемлекеттік қызметінен зейнетке шыққандардың зейнетақы төлемдері мен олардың өмір сүру деңгейінің өзара байланысын қарастырды. Зерттеу барысында Осун штаты үкіметі зейнетке шыққан мемлекеттік қызметкерлерге ұсынатын негізгі зейнетақы төлемдері ретінде зейнетақы жүйесі, біржолғы төлем (гратуитет) және денсаулық сақтау қызметтері анықталды. Бұл айнымалылар зейнеткерлердің өмір сүру деңгейін өлшеу үшін қолданылды. Зерттеу құралы ретінде сауалнама жүргізіліп, Осун штатының Осогбо қаласындағы Нигерия зейнеткерлер одағына мүше 363 респонденттен жауап алынды. Зерттеу нәтижелері зейнетақы жүйесінің жеткілікті деңгейде екенін және зейнетақы төлемдері (зейнетақы жүйесі, біржолғы төлем және денсаулық сақтау қызметтері) мен зейнеткерлердің өмір сүру деңгейі арасында тығыз байланыс бар екенін көрсетті. Зерттеу нәтижесінде қазіргі зейнетақы төлемдерінің тәртібі зейнеткерлердің өмір сүру деңгейіне теріс әсер ететіні анықталды. Осыған байланысты зейнетақы жүйесін, біржолғы төлемдер мен денсаулық сақтау қызметтерін жүзеге асыру барысында инфляция және әлеуметтік қолдау жүйелері сияқты әлеуметтік-экономикалық факторларды ескеру ұсынылды.

**Түйін сөздер:** зейнетақы жүйесі, біржолғы төлем (гратуитет), денсаулық сақтау қызметтері, өмір сүру деңгейі, зейнетке шығу, әл-ауқат.

И.Т. Акинделе<sup>1</sup>, Б.О. Огинни<sup>2\*</sup>, М.С. Касуму<sup>2</sup>, О.Б. Аканде<sup>2</sup>

<sup>1</sup>Университет Илора, Квара, Нигерия

<sup>2</sup>Государственный университет штата Осун, Осун, Нигерия

\*e-mail: babalola.oginni@uniosun.edu.ng

### **Связь между пенсионными выплатами и уровнем жизни: случай пенсионеров государственной службы в Нигерии**

В данном исследовании рассматривается взаимосвязь между пенсионными выплатами и уровнем жизни государственных служащих, вышедших на пенсию в штате Осун. В качестве ключевых показателей, используемых для измерения уровня жизни пенсионеров, были определены пенсионные схемы, единовременные выплаты (гратуитет) и медицинское обслуживание, предоставляемые правительством штата Осун бывшим государственным служащим. В рамках исследования был проведен опрос среди 363 респондентов, являющихся членами Союза пенсионеров Нигерии в городе Осогбо, штат Осун. Результаты исследования показали, что пенсионная система является достаточно развитой, а также существует сильная взаимосвязь между показателями пенсионных выплат (пенсионные схемы, единовременные выплаты и медицинские услуги) и уровнем жизни пенсионеров. Исследование пришло к выводу, что действующая система пенсионных выплат негативно сказывается на уровне жизни пенсионеров. В связи с этим было рекомендовано учитывать социально-экономические факторы, включая инфляцию и системы социальной поддержки, при реализации пенсионных схем, единовременных выплат и медицинского обслуживания.

**Ключевые слова:** пенсионные схемы, единовременные выплаты (гратуитет), медицинские услуги, уровень жизни, выход на пенсию, благосостояние.

## **Introduction**

There is a saying that goes like this whatever has a beginning must have an end, the employment life of every employee in the world of work lent credence to this statement to imply that employment of all employees will come to an end one day although the statutory time frame varies from continents to continents, regions to regions, and countries to countries. In the case of Nigeria, 35 years of service or 60 years of age is the retirement age for all categories of employees in the civil service which is the unit of analysis of this study. The employee employment life span revolves around the transition from active employment to retirement with significant shifts in the sources of income and lifestyles. This explains why over the years, the well-being of employees after meritorious service has always been of great concern to the employers of both private and public sectors with a focus on their standard of living after retirement.

The economic well-being and standard of living of retirees, particularly those in the civil service had received more attention from the government in the last decade with the provision of retirement benefits in tune with the rising inflation. The provision of retirement benefits was mainly in the areas of pension schemes, gratuity, and healthcare benefits. However, the retiree's standard of living has been impacted by several elements, such as the state of the general economic situation, the design of the

pension plans, and the promptness and sufficiency of pension payments. Thus, rendering various pension reforms incapacitated in bringing the desired results to the retirees. In the views of Adams (2019), the provision and adequacy of retirement benefits are crucial factors that influence the post-retirement standard of living of employees which have been the veritable variables to measure retiree's standard of living while Oke (2021) posited that the standard of living of retirees is a reflection of the effectiveness and efficiency of the retirement benefits system put in place at any given time. It was alluded from the works of Oke (2021) and Adams (2019) that the provision but not inadequate retirement benefits and poor implementation of the retirement benefits system is the rationale behind the falsification of age and corruption.

According to Johnson and Akinola (2020), retirement has always been a joy that every employee looks towards not solely because of the accrued benefits but on account of the rest and opportunity to do other things. However, the problem of consistency and adequacy of retirement benefits in the face of present economic reality has made retirees struggle to afford necessities, and access quality healthcare, and other essential services, thus, resulting in a decrease in their overall quality of life. Therefore, the study seeks to examine the relationship between retirement benefits and standard of living; focus on the implications of retirement benefits on the retirees' standard of living by examining the adequacy of

retirement benefits; implementation of the pension schemes, and consistency of the gratuity payment to the retirees, and accessibility of retirees to the provided healthcare services on the standard of living of the retirees.

## Literature Review

### *Standard of Living*

The standard of living is a multifaceted concept that encompasses the overall quality of life and well-being of individuals or groups, characterized by both material and non-material factors. It takes into account income, employment status, class disparities, poverty rates, housing affordability, crime rates, and access to education and healthcare facilities (Afolabi, 2022). In the views of Smith and Cummins, (2020) standard of living involves more subjective measures such as life satisfaction, freedom, and leisure time and largely depends on the quantity and quality of the goods and services available to people because it is influenced by many factors such as inflation, healthcare accessibility, social services, financial security, community services, and infrastructural facilities (Anidi & Anoke, 2017; Adebayo & Udegbe, 2018; Adeniran, 2019; Adeyemo, 2021; Afolabi, 2022). Since the focus of standard of living is on the overall well-being of the people, it takes into cognisance many issues that would aid the well-being of people such as post-retirement financial stability, quality healthcare, social and emotional support systems, education, and lifelong learning, housing affordability, social connectedness, infrastructure, and personal fulfillment (Etodike, Ezech & Chukwura, 2017).

The works of Ayeni and Oginni (2021) supported this position and posited further that the degree of attaining sustainable well-being of people is constrained by many factors not limited to the following; financial insecurity, income volatility, limited savings, high debt levels, unaffordable housing (rising housing costs), healthcare costs, retirement challenges, healthcare non-accessibility, geographical barriers, health insurance coverage gaps, complex healthcare systems, cultural and linguistic barriers, social isolation, sparse population density, limited transportation options, and long distances to social amenities, socioeconomic factors, poverty, unemployment, low educational attainment, technological barriers, stagnant incomes, low-wage workers, and employment opportunities (Giddings, Grant & Hills, 2018). Therefore, Adewumi (2020) concluded that the standard of living of any individual or a group of individuals is the level of comfort and

wealth attained after interaction with these factors which could be high or low depending on the degree of influence of these factors i.e., the well-being of people is based on the degree of comfort and wealth at their disposal at any given period.

Oke (2021) corroborated the position of Adewumi (2020) by positing that the cost of living is a good indicator to determine whether the standard of living of an individual or a group of individuals is high or low. It was concluded that there exists an inverse relationship between cost of living and standard of living i.e., whenever cost of living is high, standard of living would be low and whenever cost of living is low, standard of living would be high. Adams (2019) asserted that a living wage is an integral part and important component element in the cost of living and standard of living due to the challenge posed by inflation which is responsible for the constant rise in the general price level of goods and services. The relationship between and among the three elements (living wage, cost of living, and standard of living) on account of inflation can be described as a cobweb relationship because the reaction is in a cycle or chain form. This explains why the government is always interested in what the living wage is to avoid any form of push or pressure from the labour union. The essence of the interest of the government in the living wage is to operationalise the cost of living that would usher in or sustain a decent standard of living without prejudice to the overall well-being of the people. It is this concern that propels the government to put in place different programmes for employees in the civil service known as retirement benefits upon retirement to ensure a decent standard of living.

### *Retirement Benefits*

According to Afolabi (2022), retirement is the withdrawal of service from an organisation permanently which may be voluntary or involuntary i.e., an end to regular paid employment in business either in industry or sector. By voluntary, it is conformity with stipulated conditions guiding the contract of employment which is usually based on age or year of service, and involuntary signifies withdrawal of service against one's will due to many reasons such as health issues, outsourcing, major reorganisation, reduction in the workforce, incapacitated by an accident, persistent disability, legislation, etc., (Abubakar, 2021; Pillah, 2023) and whichever the case may be, benefits are evolving from such retirement which are in different forms. These benefits are not just a reward for years of service but a fundamental right ensuring that retirees can maintain a decent standard of living after their active working years (Nyangari-

ka & Bundala, 2020; Kotun, Adeoye & Akingbade, 2023). Smith & Baker, (2020) asserted that the benefits are designed to provide financial support and stability to those who retire after retirement which corroborated the earlier works of Adams (2019) and Johnson (2019) that the structure, sufficiency, and stability of retirement benefits have a considerable impact on the financial security and quality life of retirees.

The basic goal of the retirement benefit is to replace a sizeable portion of the income generated by individuals during their working years of active service, thus providing a safety net against the adverse effect of economic hardship, poor standard of living, and destitution in old age (Johnson, 2019; Pillah, 2023). Different countries with different retirement benefits depending on their economic systems, In Nigeria today, there are three major retirement benefits, especially in the civil service namely pension, gratuity, and healthcare services made available to retired employees. Pension and gratuity are under statutory provision while healthcare services have been under the State's discretion which Osun State which is the unit of analysis embraced. The Pension Reform Act, of 2014 discussed in detail the provision of the reform and conditions necessary to be fulfilled before one is eligible and the Pension Reform Act, of 2004 focus was on the gratuity and contributory pension while the healthcare service was not backed up with any statutory provision but a product of the Will of the government of the day in policy form. It is worthy of note, that all the retired employees in Osun State operate under these three benefits.

#### *Relationship Between Retirement Benefits Variables and Standard of Living*

##### *Pension and Standard of Living*

The pension has been described as a regular income received by an individual at retirement i.e., when an individual has stopped working on account of reaching a certain age, health condition, persistent disability, etc., in order to cater for such individual needs at old age (Abubakar, 2021). Pillah (2023) described pension on the basis of two pension reforms i.e., Pension Reforms Act 2004 and 2014 as a fund from which regular payments are given to support a person's retirement from work after they have contributed a set amount throughout their working years (Hinrichs & Lynch, 2021). The works of Abubakar (2021) on retirement challenges and management strategies among retired civil servants in Kogi state identified pension as one of the major challenges faced by employees in the post-retirement life, especially in terms of prompt payment

and reform implementation which corroborated the earlier work of Adams (2019) and Johnson (2019) that the structure, sufficiency, and stability of retirement benefits have a considerable impact on the financial security and quality life of retirees. Ayeni and Oginni (2021) posited that the Pension Reform Act 2014 sole aim was to ensure that employees live a decent life after retirement through seamless payment of the retirement benefits when due. Pillah (2023) deviated by acknowledging the adequacy of pension in terms of implementation over payment amid inflation which is devoid of corrupt practices to usher or herald quality life i.e., payment is ideal but adequacy and implementation should be paramount. Abubakar (2021) posited that the adequacy of pension schemes is not enough rather the administration and operationalisation of pension schemes should be simplified to be effective and efficient. Hence, the formulation of hypothesis one that

H<sub>1</sub>: Implementation of pension schemes has a significant and positive influence on the Standard of living.

##### *Gratuity and Standard of Living*

Gratuity is one of the retirement benefits that provide financial support to employees after their retirement. It has been described as a lump sum payment made to an employee by an employer in recognition of long and meritorious service, above and beyond the usual wages or salary upon retirement and it is usually a one-time lump sum payment made to an employee upon completion of the eligibility criteria (Fred, Udoh & Kpurunee 2019; Nyangarika & Bundala, 2020). In Nigeria, all employees employed in the civil service on or before 2004 are eligible for gratuity payment without any exemption while the Pension Reform Act 2014 removes gratuity from the retirement benefits. The works of Fred, Udoh, and Kpurunee (2019) alluded that there exists a strong relationship between gratuity and retirees' financial and health well-being. Etodike, *et al.* (2017) explored the predictors of retirement stress among Nigeria's public service retirees and found that delay in gratuity payment accounts for 65% of retirement stress and anxiety among retired employees thus preventing their settlement adjustment into a new life. This was buttressed by the findings of Nyangarika and Bundala, (2020) and opined further that for improved well-being of the retirees, gratuity payment should be paramount as a result of poor socio-economic development. Okolie and Idibra's (2022) work shows that delays in gratuity payment contribute to retirees' diminishing status, deteriorating health, and premature mortality shortly after retirement while Oke (2021) concluded that gratuity



as designed, was to help retirees adjust to the cost of living through the provision of a lump sum for investment but non-payment or delay has made retirees succumb to early death or become penniless within few periods of their retirement. Hence, the second hypothesis was formulated that

H<sub>2</sub>: Consistency of gratuity payment has a significant and positive influence on the Standard of living.

#### *Healthcare Services and Standard of Living*

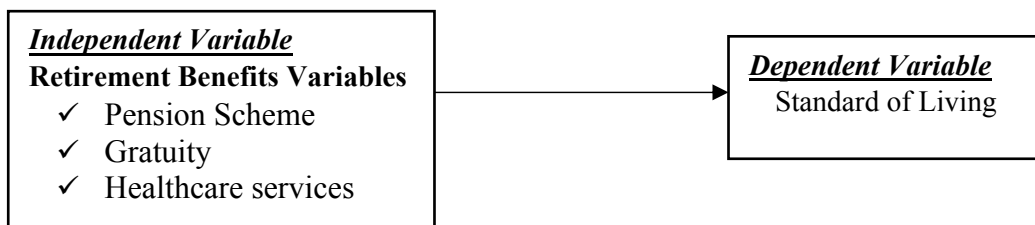
According to Fennell, (2001) the term “health care services” means any service provided by a health care professional, or by any individual working under the supervision of a health care professional, that relates to the diagnosis, prevention, and treatment of any human disease, impairment or assessment and care of the health of human beings. From the position of Fennell, it could be deduced that the focus of healthcare services is on various medical support services provided to people in a given area to restore, maintain, and improve mental and physical health. Therefore, healthcare services play a significant role in the maintenance and improvement of the health and well-being of individuals and communities on account of accessibility, quality, affordability, sensitivity to cultural needs, continuity, and patient-centred care. Montgomery, Gragnaloti, Burke, and Paredes, (2000) postulated that income level is one of the key determinants

in the relationship between health and standard of living because an individual’s standard of living is a measure of their economic well-being which is contingent upon their disposable income or consumption (Lindelov, 2006; Onwujekwe, Hanson & Fox-Rushby, 2006). Adeyemo (2021) supported this position however, opined that healthcare services can improve the well-being of people with low income when it is affordable and accessible which was in agreement with the earlier works of Johnson and Jackson (2019) and Kamimura, Trinh, Weaver, Chernenko, Nourian, Assasnik and Tabler (2017) while Thomas (2023) asserted that retirees have been living in poor health condition for years on account of low income preventing accessibility which has consequences on their physical and mental health. Therefore, the third hypothesis was formulated that

H<sub>3</sub>: Accessibility to healthcare services has a significant and positive influence on the standard of living.

#### *Conceptual Framework*

Fig 1. depicts the conceptual framework for this study containing the independent and dependent variables. The independent variables are pension, gratuity, and healthcare services and the dependent variable is standard of living. These independent variables were used to explain the degree of standard of living.



**Figure 1** – Conceptual Framework

Note – constructed by the authors

## **Methodology**

The study made use of the survey research method and purposive sampling was adopted to select 363 respondents with a focus on the questionnaire as the research instrument which was randomly distributed. The questionnaire of Johnson (2019) on retirement benefits (pension and gratuity) was adopted while that of Johnson & Jackson (2019) was adopted for the health services questionnaire. The data collected was analyzed using descriptive sta-

tistics such as the mean, percentage, and standard deviation of the respondents while Pearson coefficient Correlation and linear regression were used to test the hypotheses of the study to determine if there is a relationship between the variables under study.

## **Results and Discussion**

The data collected were the products of the results discussed under different subheadings. It is however pertinent to know that the study has five

objectives to understand the implication of retirement benefits on the standard of living i.e.,

1. to examine the relationship between retirement benefits and standard of living;

2. the adequacy of retirement benefits on the standard of living;

3. implementation of the pension schemes on the standard of living;

4. consistency of the gratuity payment on the standard of living;

5. accessibility of retirees to the provided health-care services on the standard of living of the retirees.

**Table 1** – Demographic Characteristics of the Respondents

Variables	Characteristics	Frequency	Percentage (%)
Gender	Male	183	50.4
	Female	180	49.6
Age	Less than 45 years	12	3.3
	45 – 50 years	24	6.6
	51 – 55 years	141	38.8
	56 years & above	186	51.2
Marital Status	Single	5	1.4
	Married	163	44.9
	Divorced	91	25.1
	Widowed	104	28.7
Highest Educational Qualification	SSCE/NECO	8	2.2
	Degree	222	61.2
	Diploma	96	26.4
	Postgraduate	37	10.2
Length of Service	Less than 20 years	10	2.8
	21 – 25 years	30	8.2
	26 – 30 years	82	22.6
	31 – 35 years	241	66.4

Note – computed by authors based on the Field Survey (2024)

The demographic characteristics of the respondents were presented in Table 1 which indicates that all genders were well represented wherein there were slightly more male retirees than female retirees that participated in the study i.e., 183 respondents as male representing 50.4% of the respondents while the remaining 180 respondents were of female gender representing 49.6% of the respondents. Table indicates that the respondents whose ages ranged between 56 years & above constitute the majority which is represented by 51.2% of the total respondents followed by retirees within the range of 51 – 55 years with 38.8% of the respondents and respondents whose ages laid within 45 – 50 years constitutes 6.6% of the total respondents while the 3.3% of the respondents were below the age of 45 years. This result shows that the retirement of these employees was voluntary due to advancement in age while a few of the respondents experienced early retirement. It was evident that the majority of the respondents were married i.e., 163 of the respondents representing 44.9% followed by the widow respon-

dents i.e., 28.7%, divorced 25.1%, while (1.4%) of the respondents were single. It can be deduced that the majority of the respondents 98.6% had marital experience. This category of people will understand the relevance of the retirement benefits on account of their responsibilities after withdrawal of their service which has put an end to regular income.

From the information on the length of service as contained in Table 1, the majority of the respondents had between 31 to 35 years of service representing 66.4% followed by respondents whose length of service was within the range of 26 -30 years representing 22.6% and those who were within 21-25 years of service while only a few respondents served less than 20years representing 2.8% of the total population thus, signifying a good insight into retirement benefits and issues surrounding on account of their length of service. The education status of the respondents shows that 61.2% of the staff respondents were Degree holders, 26.4% had Diplomas, 10.2% had Postgraduate qualifications and only 2.2% percent had school cert as their highest educational

qualification to indicate that Degree holders are dominant in the survey. This indicates that the respondents had sufficient education to respond to the questionnaires making them suitable for the study.

The demographic information attests to the fit of the respondents selected for the study.

*Objective 1: to examine the relationship between retirement benefits and standard of living.*

**Table 2** – Pearson Correlation Matrix for the relationship between Retirement Benefits and Standard of Living

Retirement Benefit Variables	Pension	Gratuity	Health Care	Standard of Living
Pension	1	.		
Gratuity	0.591**	1		
Health Care	0.354**	0.673**	1	
Standard of Living	0.682**	0.758**	0.634**	1

\*\*Correlation is significant at 0.05 level (2-tailed)

Table 2 contains the results of the Pearson Correlation Coefficient on the relationship between retirement benefits and standard of living. It was evident that all the retirement benefit variables have a positive relationship with the standard of living and were significant at 0.05 level Sig. The relationship can be classified into two i.e., moderate and strong relationship. The relationship between pension and standard of living was a linear relationship where  $r = 0.682$ ,  $P < 0.05$ , gratuity and standard of living was a linear relationship where  $r = 0.758$  while the relationship between healthcare services and standard of living was also a linear relationship. However,

the relationship between pension and healthcare services with standard of living was moderate while that of gratuity was strong. The criterion for the classification of relationship has weak relationship has  $\leq 5$ , moderate relationship has  $\leq 7$ , and strong relationship has  $> 7$ . Therefore, the relationship between retirement benefits is moderate and strong with the standard of living to imply that an increase in any of the retirement benefits (pension, gratuity, and healthcare services) will yield an increase in the standard of living of the retirees. Hence, objective one is achieved.

*Objective 2: to examine the adequacy of retirement benefits on the standard of living*

**Table 3** – Descriptive Statistics on the adequacy of retirement benefits on the standard of living

Statement	Total & %	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	SD	Rank	Remark
I'm aware of the retirement benefits before my retirement	N (%)	134(36.9)	109(30)	38(10.5)	76(20.9)	6(1.7)	363	3.80	0.876	2	A
Before retirement, I have thought about retirement benefits as provided by the government to be adequate	N (%)	118(32.5)	117(32.2)	28(7.7)	64(17.6)	36(9.9)	363	3.60	0.864	3	A
Retirement benefits have turned out to be adequate because of its operation	N (%)	10(2.8)	50(13.8)	31(8.5)	118(32.5)	154(42.4)	363	2.02	1.276	7	D
Retirement benefits were responsible for my early retirement	N (%)	4(1.1)	52(14.3)	61(16.8)	152(41.9)	94(25.9)	363	2.23	1.025	6	D

Continuation of the table

Statement	Total & %	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	SD	Rank	Remark
Retirement benefits are adequate to sustain my standard of living	N(%)	109(30)	97(26.7)	36(9.9)	79(21.8)	42(11.6)	363	3.42	1.772	4	A
Retirement benefits are adequate to meet basic needs after retirement	N(%)	116(32)	57(15.7)	40(11)	98(27)	52(14.3)	363	3.24	0.934	5	A
The provision of retirement benefits is adequate	N(%)	193(53.2)	85(23.4)	15(4.1)	28(7.7)	42(11.6)	363	3.99	0.864	1	A
Which of the retirement benefits is found to be the most adequate in design? (Tick as appropriate)											
	N					Percentage		Remark			
Pension scheme	247					68 %		1			
Gratuity	73					20.1 %		2			
Healthcare Services	43					11.9 %		3			
Total	363					100					
where Agreement (A) is $\geq 3.0$ and Disagreement (D) is $\leq 3.0$											
Note – computed by authors based on the Field Survey (2024)											

From Table 3, it was evident that the provision of retirement benefits was adequate and among the

three elements of the retirement benefit, the pension scheme was found to be more adequate than the rest with 68% of the respondents i.e., 247 respondents attesting to its adequacy. In the same vein, the adequacy of the retirement plan was never the rationale behind early retirement as reported by 67.8% of the respondents and the understanding and knowledge of the retirement benefits before and after retirement made the assessment of its adequacy after retirement realistic. However, 74.9%

of the respondents believed in the adequacy of the retirement benefits but felt discomfort in its operation. The agreement and disagreement criterion confirmed the adequacy of the retirement benefit where  $A \geq 3.0$  and  $D \leq 3.0$ . Disagreement was recorded for the operation of the retirement benefit and reasons for early retirement. Therefore, objective 2 of the study was achieved.

*Objective 3: to examine the implementation of the pension schemes on the standard of living*

**Table 4** – Descriptive Statistics of Pension implementation on the standard of living

Statement	Total & %	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	SD	Rank	Remark
I feel financially secure with the current pension implementation	N (%)	6 (1.7)	38(10.5)	76(20.9)	134(36.9)	109(30)	363	3.65	0.978	6	A
The pension implementation plans provided to meet my financial needs in retirement were good	N (%)	4 (1.1)	20(5.5)	117(32.2)	143(39.4)	79(21.8)	363	3.75	0.895	3	A
Pension implementation structure is good and adequate to maintain a comfortable standard of living	N (%)	5(1.4)	48(13.2)	83(22.9)	168(46.3)	59(16.3)	363	3.63	0.953	5	A



Continuation of the table

Statement	Total & %	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	SD	Rank	Remark
I feel confident that my pension fund is well-managed and has been made available when due.	N (%)	2(0.6)	21(5.8)	77(21.2)	188(51.8)	75(20.7)	363	3.86	0.826	1	A
I am satisfied with the flexibility to withdraw or utilize my pension benefits when the need arises.	N (%)	2(0.6)	24(6.6)	115(31.7)	151(41.6)	71(19.6)	363	3.73	0.869	4	A
I believe how my pension is structured is sufficient to cover my basic living expenses.	N (%)	4(1.1)	52(14.3)	61(16.8)	152(41.9)	94(25.9)	363	3.77	1.025	2	A
where Agreement (A) is $\geq 3.0$ and Disagreement (D) is $\leq 3.0$ Note – computed by authors based on the Field Survey (2024);											

It was obvious from the information contained in Table 4 that pension implementation has not met the expectations of the respondents. The criterion set for decision-making supported this wherein the mean scores were within the agreement region of  $A \geq 3.0$ . i.e., 3.65 to 3.77 which summarised the responses of the respondents in terms of agreement on the implementation of pension scheme among civil servants as of today. For example, 263 respondents out of 363

respondents representing 72.5% disagreed with the management of the pension funds and availability as at when due while 66% of the respondents did not believe the way pension is structured is sufficient to enable the pensioners to meet their basic needs and ditto for pension implementation structure to usher in comfortable standard of living.

*Objective 4: to determine the consistency of the gratuity payment on the standard of living*

**Table 5** – Descriptive Statistics on the consistency of the gratuity payment on the standard of living

Statement	Total & %	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	SD
I received my gratuity payment promptly upon retirement	N (%)	2(0.6)	25(6.9)	87(24)	158(43.5)	91(25.1)	363	3.86	0.893
I am satisfied with the amount of gratuity I received	N (%)	10(0.3)	13(3.6)	97(26.7)	113(31.1)	139(38.3)	363	4.04	0.905
I had sufficient information about gratuity rules before retirement	N (%)	55(15.2)	84(23.1)	86(23.7)	100(27.5)	38(10.5)	363	2.95	1.238
If given the chance, I would suggest improvements to the current gratuity policy	N (%)	109(30)	97(26.7)	36(9.9)	79(21.8)	42(11.6)	363	2.75	1.387
I believe the formula used to calculate gratuity is fair and transparent	N (%)	18(5)	26(7.2)	168(46.3)	114(31.4)	37(10.2)	363	3.35	0.935
The process of receiving gratuity was smooth and efficient.	N (%)	6(1.7)	20(5.5)	56(15.4)	139(38.3)	142(39.1)	363	4.08	0.955
Note – computed by authors based on the Field Survey (2024)									

The result presented in Table 5 summarised the responses of the respondents on the consistency of the gratuity payment to the pensioners. It was evident that the majority of the respondents thought that gratuity payment was not consistent in all its ramifications despite the acquisition of sufficient information on the gratuity payment before retirement. Out of the 363 respondents, 249 respondents believed that the payment of their gratuity payment was never timely upon retirement representing 69% of the total respondents while 77% thought that the process of receiving gratuity was not smooth and

efficient. On account of the inconsistency, 57% of the respondents sought the need to suggest improvement on the current gratuity policy and 69% of the respondents opined that the amount of gratuity received was not satisfying which corroborated the inadequacy of gratuity payment as one of the elements of the retirement benefits. Thus achieving objective 4 of the study which seeks to determine the consistency of the gratuity payment to the civil servants.

*Objective 5: to examine the accessibility of retirees to the provided healthcare services on the standard of living of the retirees*

**Table 6** – Descriptive Statistics on the accessibility of retirees to the provided healthcare services on the standard of living

Statement	Total & %	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Total	Mean	SD
I faced challenges or barriers in accessing healthcare services as a pensioner	N(%)	24(6.6)	33(9.1)	61(16.8)	166(45.7)	79(21.8)	363	3.67	1.113
I am satisfied with the accessibility of healthcare services for pensioners	N(%)	2(0.6)	14(3.9)	87(24)	169(46.6)	91(25.1)	363	3.92	0.830
I am aware of all the healthcare services available to pensioners	N(%)	17(4.7)	70(19.3)	56(15.4)	108(29.8)	112(30.9)	363	3.63	1.234
I would suggest improvements to the current healthcare services policy	N(%)	116(32)	98(27)	40(11)	52(14.3)	57(15.7)	363	3.08	1.338
I would like the current healthcare services available to meet the basic needs of pensioners	N(%)	109(30)	74(20.4)	48(13.2)	59(16.3)	73(20.1)	363	3.04	1.298
I would recommend the current pensioners' healthcare services to others.	N(%)	6(1.7)	47(12.9)	97(26.7)	131(36.1)	82(22.6)	363	3.65	1.020
Note – computed by authors based on the Field Survey (2024)									

From the results presented in Table 6, it was obvious that the majority of the respondents disagreed with the idea of facing challenges or barriers in the course of accessing services made available i.e., 67.5% of the total population. This attested to problem adequacy identified in objective one where healthcare service was found to be the most inadequate of the three elements of retirement benefits. The implication is that the available healthcare services were without many challenges in accessing but were not adequate which informed the position

of the majority of the respondents i.e., 214 respondents representing 59% agreed on the need to improve the current health services policy and likewise the responses to the ability of the current healthcare services to meet the basic needs of the pensioners. However, majority of the respondents of the total respondents i.e., 220 respondents representing 60.6% were not satisfied with the degree of accessibility to healthcare services by the pensioners this may as a result of non-awareness of the healthcare services available which was attested by 220 respon-

dents representing 60.6% of the total respondents. Therefore, the respondents were not satisfied with the degree of accessibility to the healthcare services by the pensioners although there were no serious challenges or barriers when accessing the services. The issue of no serious challenges or barriers when accessing the healthcare services may be as a result of non-awareness of the healthcare services by the pensioners or affordability. Hence, objective 5 is hereby achieved.

Aside from the objectives upon which the study was based, three hypotheses were formulated to further understand the significance of each of the retirement benefits i.e., implementation of pension schemes, consistency of gratuity payment, and accessibility of healthcare service as discussed in the literature review.

#### *Test of hypotheses*

$H_1$ : Implementation of pension schemes has a significant and positive influence on the Standard of living.

**Table 7** – The influence of the implementation of the pension schemes on the standard of living of the retirees

a) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.582 <sup>a</sup>	0.339	0.337	0.47153
a. Predictors: (Constant), Pension				

Table 7 through the F-statistics result shows that the model fits well and is statistically significant in explaining the influence of the implementation of pension schemes on the standard of living of retirees. The Table summarised the relationship between the implementation of the pension schemes and the standard of living of the retirees which was found to be a positive linear relationship when  $R = 0.582$  and  $R^2 = 0.339$  i.e., 34% indicates that implementation of the pension schemes can explain the variation in the standard of living of the retirees while the low value of adjusted  $R^2$  i.e., 0.337 indicates that additional predictors are not improving the model and the relationship is significant at  $P < 0.05$  (0.000<sup>b</sup>). Therefore, the implementation of pension schemes will moderately influence the standard of living of

the retirees at any time on account of the value of  $R$  which is 0.582. This result can be linked to objective 3 which seeks to examine the implementation of the pension schemes on the standard of living where it was concluded the current structure for the implementation of the pension schemes cannot herald a favourable standard of living. It can be concluded that where the implementation of the pension schemes is good, the standard of living of the retiree will be good due to the linear relationship that exists between the two variables and vice versa. This confirms the stated hypothesis that the implementation of pension schemes has a significant and positive influence on the Standard of living.

$H_2$ : Consistency of gratuity payment has a significant and positive influence on the Standard of living.

**Table 8** – The influence of gratuity payment on the standard of living of the retirees

a) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	0.758 <sup>a</sup>	0.575	0.573	0.37816
a. Predictors: (Constant), Gratuity				

It was evident from Table 8 that there exists a strong positive relationship between consistency of gratuity payment and standard of living when  $R = 0.758$  which can be interpreted to mean a linear relationship that is significant at  $P < 0.05$  (0.000<sup>b</sup>) i.e., whenever there is consistency in the payment of retirees' gratuity, the standard of living of the retirees

will be high and vice versa. It was further revealed that  $R^2 = 0.575$  which implies that 58% of the variation in the standard of living can be explained by consistency in the gratuity payment while adjusted  $R^2 = 0.573$  which was below the value of  $R$  to signify that the additional predictor will not improve the model if added although it was positive. This signifies that ad-

justed  $R^2$  has been taken into consideration as being a modifier of the  $R^2$  effect that somewhat overestimates the fit of a model. This result can be linked to objective 4 which seeks to determine the consistency of the gratuity payment on the standard of living which concluded that gratuity payment was not consistent. It can be deduced that since the relationship between gratuity payment and standard of living was a positive linear relationship, consistent payment of retiree's

gratuity will usher in a good standard of living. However, the result obtainable for objective 4 concluded that there was no consistency in the payment of the retirees' gratuity. Therefore, the standard of living of the retirees will be low due to the inconsistency of the gratuity payment.

$H_3$ : Accessibility to healthcare services has a significant and positive influence on the standard of living.

**Table 9** – The influence of accessibility to healthcare services on the standard of living of the retirees

a) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.634 <sup>a</sup>	0.402	0.400	0.44830

a. Predictors: (Constant), Health Care

F-statistics result shows that the model fits well and is statistically significant to explain the result obtained for Table 9. It shows that  $R = 0.634$  implies a moderate linear positive relationship between the accessibility to healthcare services and the standard of living. The value of  $R^2$  which was 0.402 signifies that accessibility to healthcare services has about 42% decisive influence on the standard of living while the value of adjusted  $R^2$  of 0.400 has taken into consideration the number of predictors in the model thus, making it fairly fit on account of the low value. A link of this result to the result obtained for objective 5 seeks to examine the accessibility of retirees to the provided healthcare services on the standard of living of the retirees which revealed that the pensioners were not satisfied with the degree of accessibility to the healthcare services even though there were no serious challenges or barrier when accessing the services. This corroborates the outcomes of objectives 3 and 4 on poor implementation of pension schemes and inconsistency in the payment of gratuity otherwise the affordability would be there to induce satisfied accessibility to the healthcare services. Therefore, the inability to be satisfied with the degree of accessibility to healthcare services means a poor standard of living since the relationship was linear i.e., satisfaction with the degree of accessibility to healthcare services will imply a satisfied standard of living.

### Discussion of Findings

The discussion was based on the results presented in Table 2 to Table 9. It was evident that

there exists a positive linear relationship among all the retirement benefit variables with the standard of living. The relationship was found to be a positive linear relationship which implies the retirees' standard of living would be a product of retirement benefits comprising pension scheme, gratuity, and healthcare. The result confirms the findings of Adams (2019) and Johnson (2019) that the structure, sufficiency, and stability of retirement benefits have a considerable impact on the financial security and quality of life of retirees. This buttressed the position of Kotun, Adeoye & Akingbade, (2023) that the degree of availability of these benefits determines the retirees' decent standard of living after their active working years. The study found that the retirement benefits were adequate, especially the pension scheme but had challenges with the implementation of the schemes which was in tandem with the earlier work of Pillah (2023) that adequacy of pension in terms of implementation over the payment is paramount to guarantee quality life after retirement. However, the study found the implementation of pension schemes to be poor to imply a poor standard of living among the retirees which is in agreement with the work of Abubakar (2021) that the implementation of pension schemes determines the success of its adequacy thus, good implementation will yield a good standard of living and vice versa.

It was found that there exists a strong relationship between gratuity and standard of living which confirms the findings of Fred, Udoh, and Kpurunee (2019) that there exists a strong relationship between gratuity and the health well-being of retirees. The study also found that there was no consistency

in the payment of retirees' gratuity thus subjecting the retirees to poor standard of living. This result supported the earlier works of Etodike, Ezech, and Chukwura (2017) that delay in gratuity payment accounts for 65% of retirement stress and anxiety among retired employees. The works of Okolie and Idibra (2022) also buttressed the result of this study that delays in gratuity payment contribute to retirees' diminishing status, deteriorating health, and premature mortality shortly after retirement. It was also evident that accessibility to healthcare and standard of living has a positive relationship and there were no serious challenges accessing the healthcare services but the retirees were not satisfied with the accessibility on account of affordability. This result confirms the finding of Montgomery, Gragnaloti, Burke, and Paredes, (2000) that income level is one of the key determinants in the relationship between health and standard of living. Also supports the findings of Thomas (2023) that retirees have been living in poor health conditions for years on account of low income thus, preventing accessibility that will improve their standard of living (Adeyemo, 2021; Johnson & Jackson, 2019).

## Conclusion

Based on the findings of the study, it was evident that there exists a nexus between retirement benefits and the standard of living of retirees. The relationship was positive to imply that retirement benefits will progressively influence the direction of retirees' standard of living wherein retirement benefits are good, the standard of living will be good, and vice versa. However, despite the adequacy of the pension schemes, the implementation has been poorly executed thus hindering the expected outcome on the standard of living, the inconsistency in the payment of the retirees' gratuity was confirmed and has affected the standard of living of these retired employees with a corresponding effect on the accessibility to the healthcare services provided. Therefore,

the study concluded that the module operandi of retirement benefits as currently being practiced has affected the standard of living of retirees negatively on account of poor implementation of the pension scheme which was considered to be adequate, inconsistency in the payment of gratuity entitlement, and affordability of healthcare services.

## Recommendations

Based on the findings and conclusion of the study, it is expedient to take cognisance of the emerging facts about the true position of retirement benefits leading to poor standard of living. Therefore, the researchers arrived at the following recommendations;

1. Revise the policy guiding the implementation of the pension schemes in such a way that implementation will be seamless in operation, environmentally friendly, and readily reflect the dictate of the prevailing circumstance.
2. The law relating to the prompt payment of retirees' gratuity should be enforced to ensure that retirees get their entitlement when due. Delay should not be encouraged thus, starting the processing of retirement documents before the expiration of the contract of employment.
3. The government can put in place a motion or machinery that will ensure feedback on pension implementation and consistent payment of retirees' gratuity.
4. Embark on periodic campaign in form of awareness that will enable retirees to know and understand the best way to access the healthcare services with their low income.
5. The government should form a formidable partnership with the retirees' pension union to understand any plight being faced by retirees in pension implementation, consistency of gratuity payment, and accessibility to healthcare services.
6. The implementation of pension schemes, gratuity, and healthcare services should reflect socio-economic factors with a priority on inflation and social support systems.

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#### **Information about authors:**

Akindele Iyiola Tomolayo – PhD, Associate Professor in the Department of Public Administration, Faculty of Management Sciences, University of Ilorin, (Ilorin, Kwara State, e-mail: [akindele.it@unilorin.edu.ng](mailto:akindele.it@unilorin.edu.ng));

Oginni Babalola Oluwayemi (Corresponding author) – PhD, Associate Professor in the Department of Employment Relations & Human Resource Management, Osun State University, (Osogbo, Okuku Campus, Osun State, Nigeria, e-mail: [babalola.oginni@uniosun.edu.ng](mailto:babalola.oginni@uniosun.edu.ng));

Kasumu, Modupe Silifat – PhD, Lecturer II in the Department of Sociology, Faculty of Social Sciences, (Osun State University, Osogbo, Okuku Campus, Osun State, Nigeria, e-mail: [modupe.Kasumu@uniosun.edu.ng](mailto:modupe.Kasumu@uniosun.edu.ng));

Akande Olutayo Bamidele – PhD student (Research Assistant) in the Department of Employment Relations & Human Resource Management, Osun State University, (Osogbo, Okuku Campus, Osun State, Nigeria, e-mail: [isomes2011@gmail.com](mailto:isomes2011@gmail.com)).

**Авторлар туралы мәлімет:**

Акинделе Ийиола Томолайо – PhD, Қоғамдық басқару кафедрасының қауымдастырылған профессоры, Басқару ғылымдары факультеті, Илори университеті (Илори, Квара штаты, Нигерия, e-mail: akindele.it@unilorin.edu.ng);

Огинни Бабалола Олувайеми (корреспондент автор) – PhD, Еңбек қатынастары және адам ресурстарын басқару кафедрасының қауымдастырылған профессоры, Осун мемлекеттік университеті (Осогбо, Окуку кампусы, Осун штаты, Нигерия, e-mail: babalola.oginni@uniosun.edu.ng);

Касуму Модупе Силифат – PhD, Әлеуметтану кафедрасының II дәрежелі оқытушысы, Әлеуметтік ғылымдар факультеті, Осун мемлекеттік университеті (Осогбо, Окуку кампусы, Осун штаты, Нигерия, e-mail: modupe.kasumi@uniosun.edu.ng);

Аканде Олутаё Бамиделе – PhD докторант (ғылыми көмекші), Еңбек қатынастары және адам ресурстарын басқару кафедрасы, Осун мемлекеттік университеті (Осогбо, Окуку кампусы, Осун штаты, Нигерия, e-mail: isomes2011@gmail.com).

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