ASSESSMENT OF THE EFFECTIVENESS OF DEATH BENEFIT PAYMENT POLICY IN LAGOS STATE PENSION COMMISSION

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Abstract

Attempts to develop a better understanding of the interaction between death benefit payer and deceased worker beneficiaries suggest that such compensation have positive impact on the psychological wellbeing of the dependents. Loss of work opportunities through ailment and injury and or death represents serious threat to mental and physical wellbeing of workers which necessitated benefit payment for inevitable. Survey research design with open-ended interviews and innovation in small sample size research was employed for this study. The study offers a harmonizing perspective to qualitative studies exploring effect of workplace fatality and contributes to the growing qualitative study on factors influencing payment of death benefit in establishments. Assessment of effectiveness of death benefit payment policy to deceased workers’ beneficiaries to determine rate of processing group life policy and promptness in payment of social security funds were justified. The belief and experience of both death benefit workers and beneficiaries as explored through oral interview, offers insight to social security plan and revealed the imperativeness of group life policy sphere in Lagos State Government. In a bid to strengthen the prompt payment of death benefit in terms of creation of Lagos State Pension Commission (LASPEC) and enactment of the State Pension Law in the year 2007 repealed in 2019 is to protect those who are financially dependent on the deceased employee during his life time. The study implores the workers to get a will to avoid letter of administration which takes more than a year before its completion at probate in circumstance of any occurrence as obtaining a will today does not mean tomorrow’s death.

Keywords: Annuity, Beneficiary, Contributory pension, Death Benefit, Dependent and Group Life Policy.
Introduction

The loss of personnel through illness and other inevitable circumstances as brought serious concerns on hardship experienced by the dependents and beneficiaries of the deceased workers in organisations. Loss of work opportunities through ailment and injury represents serious threat to mental and physical wellbeing of workers which necessitated benefit payment for inevitable need to be considered in established organizations (Wall & Morrissey, 2017). Benefit payments in Nigeria could be traced back to more than half a century (1951) when first public sector and compensation scheme was established under pension ordinance which form part of social security (Fapohunda, 2013). The social security scheme in Nigeria public sector has undergone various reform stages after the initial pension ordinance such as National Provident Fund (NPF), Pension Decree 102 of 1974 (Udoji Public Service Review Commission), The Local Government Pension Scheme in 1977, later changed to Civil Service Pension Scheme (CSPS) in 1979, Pension Right of Judges 1983, Nigeria Social Insurance Trust Fund (NSITF) of 1990 and the police and other agencies pension scheme (Uzoma, 1993; Balogun, 2006; Fapohunda, 2013; Smart, 2015).

The most recent legislation of Nigerian Government aimed at addressing the associated problems of death claims is the adoption of the Defined Contributory Pension Scheme in 2004 and rescinded in the year 2014 by Federal government, that of Lagos State Government in 2007 and was repealed in 2019 respectively. This was necessitated due to series of observed hitches that overwhelmed both defined benefit and other forms of workers’ benefits operated therein. Contributory pension scheme is a fully funded pension scheme that generates adequate funds through certain percentage of contributions from monthly earnings by both employee and employer through a form of savings (Kotun, Adeoye & Alaka, 2016). Pension is an amount paid by government or company to an employee after working for some specific period of time, considered too old or ill to work, died in the active service or has reached the statutory age of retirement (Adams, 2005).

The new pension reform in Nigeria adopted by Lagos State Government is contributory in nature with the intent of ensuring that every person who has worked in either the public or private sector receives his or her benefit when due. The reform was to serve as social welfare scheme for the aged as well as ensuring that deceased workers’ beneficiaries’ livelihood was catered for (Sule, 2009). Death benefit is a financial package which legally specifies its organization and operation, so as to provide rest of mind to workers, sustain or spur them to more productivity and ensure that deceased worker’s dependents live a decent life (Ippolito, 2012). Pension schemes are social security maintenance plan for workers and their expected beneficiaries in case of any eventuality (Ilasanmi, 2006). A death benefit is a pay-out to the beneficiary of a life insurance policy, annuity or pension when the insured or annuitant dies. The scheme does not subject death to tax while a named beneficiary receives the benefit as a lump-sum payment (Pencom, 2017). The pension law is to provide benefits to members of retirement funds when they retire from active employment upon reaching retirement age. The reality is that employee may die before he/she retires, in which case the pension fund must pay benefit to the members of dependents and nominees (Nevondwe, 2012).
Death benefit management ensures economic security and opportunity that progress over the course of history in response to changing economic, political conditions and demographic realities (Brzeska, Das & Fan, 2015). Therefore, it serves as a statutory limitation to freedom of in-testate in terms of the law of succession to protect those who were financially dependent on the deceased during his life time (Matsemela, 2016). Meanwhile, in the course of carrying out official activity, the inevitable should adequately be considered such that benefit of what has been worked upon and other benefit accrued to the deceased worker are extended to beneficiaries. Therefore, the rationale behind this paper is to assess the effectiveness of death benefit payment by Lagos State Pension Commission.

**Statement of the Problem**

It appears that efforts have continuously been placed on payment of retirement benefit to retired employees in organisations to serve as social welfare for the aged ones upon enactment of the compensation and pension scheme in Nigeria since 2004 without considering the inevitable which may occur during active service of an employee. It was asserted in the study of Rapatsa and Nevondwe (2012) that formalisation of death benefit is of immense importance for establishments to cater for dependents let alone the distribution of the deceased estate. Organisations must attach importance to payment of death benefit to accommodate the beneficiaries of workers who died during employment period. Death benefit serves as a programmed payment made to the beneficiary of a worker through life insurance policy, annuity, or pension when the insured or annuitant dies (Pencom, 2017).

Introduction of life assurance death benefit in compensation and pension scheme as against the unknown hypothetical pension in the fully funded defined pension system (FFDBS) is meant to cater for dependents of workers that died in active service employment (Onanuga, 2018). This accounts for the importance that organisations must attach to death benefit payment to cater for employee’s dependents that have spent productive part of his live for the organisation survival before the inevitable occurs.

The above points have been to the detriment of dependents of departed workers in public service, although, Lagos State Government commented on its commitment towards payment of death benefit to the expected and scrutinized beneficiaries upon provision of a Will or letter of administration from the approved probates. This has however, led the researcher to, assessment of beneficiaries and workers experiences on the acclaimed prompt payment of the death benefit, hence the need for this study.

**Objective of the Study**

The main objective of this study is to assess the effectiveness of death benefit payment policy to deceased workers’ beneficiaries in Lagos State public service.

The specific objectives are to

i. assess processing rate of group life policy in Lagos State public service

ii. examine promptness in the payment of social security plan in Lagos State public service
Research Questions
i. What is the rate of processing group life policy in Lagos State public service?
ii. Is there any promptness in the payment of social security plan in Lagos State public service?

Literature Review

Conceptual Review

The Concept of Pension
Pension is defined as one of the management instruments that affect appointment decision in a given organisation (Akubo, 2018). It was referred to as an arrangement of income for work-force of an organisation or what beneficiaries receives either after leaving the employment, become disabled or die. International Labour Organization (ILO) in its convention no. 102 which has worked hard on social security since 1951 opined that pension is one of the concrete social safety features against all arguments that individual employee should live the way he believes with his hard-earned money without being hampered with pension matters. Pension may be described as a sum of money received regularly by a person after leaving employment as a result of old age, disability or having reached the retirement age as specified by the employer (Tijani & Adekunle, 2018). Pension could be in form of gratuity which may be paid on retirement to the person or his widow, dependent or relatives by the former employer (Stewart & Yermo, 2009). Casey and Taiwo (2016) posited that pension is a form of social confidence against old-age poverty and other suspicions that attracted great interest virtually around the world. The pension schemes prior to 2004 were characterized with many problems which make the payment of the retirement benefit a failure in Nigeria. This however brought about enactment of the contributory pension scheme where both employee and employer provide for employee’s and his dependent’s lives after active service.

Group Life Policy
Group life insurance is a plan offered by an employer or another large-scale entity, such as an association or labour organisation to its workforce or management members (Kagan, 2020). It is fairly inexpensive, may even be free, and is pretty common nationwide. It has a relatively low coverage amount and is typically offered as a piece of a larger employer or membership benefit package (Oortwijn & Wilt, 2016). The typical group policy is for term life insurance and is often renewable each year with a company’s open-enrolment process. This is in contrast to whole life insurance, which provides coverage no matter when employee dies. Life insurance policies are permanent, have higher premiums and death benefits, and constitute the most popular type of life insurance (Onanuga, 2020).
Kogan (2012) defined group life insurance as a single contract for life insurance coverage that extends to a group of people. This is carried out by purchasing group life insurance policy coverage through an insurance provider on a wholesale basis for its members. Companies are able to secure costs for each individual employee that is much lower than if they were to purchase an individual policy (Catalano, 2020)

Section 15 of Lagos State pension Law 2019 stipulates that the employer shall maintain life insurance policy in favour of the employee for a minimum of three times the annual total emolument
of the employee. Section 10(3) of the Law added 20% to the total emolument to be paid to the deceased beneficiary. This however distinct the Lagos State Law to that of the Federal Law on contributory pension scheme

Social Security Plan

Social security is the principle or practice of public provision through social insurance for the economic security and social welfare of individual and his or her family especially Government program established to include old-age and survivors’ insurance, contributions to state unemployment insurance, and old-age assistance (Kelani, 2017). Social security is a programme in which the employer provides funds to people who are unable to work because they are old, disabled, died or unemployed. Such benefits are determined by a specific set of criteria issued by the Social Security Administration (Aravicik, 2018). Social Security benefit provides partial replacement income for qualified retirees and disabled individuals, as well as for their spouses, children, and survivors (Yeung, 2018). Tamborini and Whitman (2007) perceived that benefit refereed to amount receives based on employees’ earnings history, the year they were born, and the age when they start to claim social security. Spouses who don't work or don't amass the requisite number of credits can receive benefit based on spouse's work record. ILO (2001) observed that part of the key global problems facing social security is that workers and their dependents are excluded from social security protections. They are covered neither by a contribution-based social insurance scheme nor by tax-financed social benefits, while significant additional proportions are covered for only a few contingencies.

Death Benefit

Death benefit is a pay-out to the beneficiary of a life insurance policy, annuity or pension when the insured or annuitant dies and are not subjected to income tax and named beneficiary receives the death benefit as a lump sum (Hayes, 2020). Part I (I) of the employee’s compensation act (2010) asserted that death benefit provides for an open and fair system that guaranteed compensation for employees in either public or private organizations in Nigeria or their dependents for any death that may arise in the passage of employment.

Cheng (2020) mentioned that individuals insured under life insurance policy, pension or other annuity products carries a death benefit into a contract with life insurance carrier or financial services provider at the time of application. A death benefit survivor is guaranteed to be paid to the listed beneficiary so long as premium is satisfied while insured or annuitant was a-live (Emanuel, Onwuteaka-Philipsen, Urwin&Cohen, 2016). Beneficiaries have option to receive death benefit proceeds either in the form of lump sum payment or as a continuation of monthly or annual payments (Hayes, 2020). Upon death of the insured during the term of the policy, provided the policy is in force, the death benefit payable immediately to the nominee will be the “sum assured on death”. The Policy shall terminate on payment of the death benefit and no other benefit under the policy shall be payable (Oortwijn& Wilt, 2016).

Importance of Death Benefit

Beneficiaries have the option to receive death benefit proceeds either in the form of a lump-sum payment or as a continuation of monthly or annual payment. Benefit is a tool used to manage
individuals mentioned in pension processes to void destitute and retain certain level of labour productivity (Amstrong, 2010). Amongst the important benefits often associated with pension arrangements is the availability of benefits payable on or after death due to life policy arranged for the entirely of Lagos State Government employees (Farayibi, 2016). Cheng (2020) stated further that these benefits are very important as they are the means by which financial provisions were made for dependents and beneficiaries. The death benefit payable depends on provision of concrete evidence by the deceased’s next of kin stating the cause of the employee’s death ECA (2010) part 2(4) stated that the dependent of the deceased employee can claim the benefit by providing certain evidences within fourteen (14) days of the occurrence or receipt of the information of the occurrence to the employer. The information shall include the name of the employee, time and place of the occurrence, nature and cause of death and name and address of the medical practitioner who attend to the employee. Benefit may be paid in a lump sum or could be in the form of a pension payable to dependents such as spouse/civil partner or children to cater for their immediate needs. Akubo (2018) mentioned that death benefit is considered as right of the dependents of deceased worker thus, with this, it meant that ideological, socio, political and cultural battles have been fought

**Features of Death Benefit Payment**

Death is an inevitable end for all living creatures. It is an occurrence to end a person’s sojourn on earth (Smart, 2015). The processing of payment of death benefit is varied and based on whether the deceased was an employee or a retiree at the time of the incident. The key features of payment of death benefit include the following.

*Death of an Employee in Active Service:* (LASPEC Law, 2019) Section 10 subsection 1-3 asserted that where an employee dies in services, the death benefit from the group life policy put in place by the employer for a minimum of three times the employee’s annual total emolument is paid to the dependents of deceased employee. In addition to the entitlement of an employee who dies in active service, 20% of total emolument shall be paid to the deceased dependents in addition to the life assurance procured by the State Government. This makes the benefit 320% of annual emolument of the deceased worker to be paid to recognized beneficiary. Onanuga (2020) mentioned that LASPEC guidelines require the next of kin or the deceased employee to notify his/her employer of the death of the employee and provide supporting documents which include:

- Medical Certificate of cause of death
- Police Report (if death was due to an accident)
- Burial Certificate
- Obituary poster or programme (if any)

The beneficiary or beneficiaries are to access the total amount upon production of a Will or Letter of Administration. LASPEC provides life assurance death benefit nomination form which has been completed by the employee as requisite form for such payment. The employee’s retirement savings account (RSA) funds were also paid due to completion, submission and verification of the document received by the PFA, approval is sought and obtained from the National Pension Commission. The total RSA balance is then paid to the estate of the deceased en-block and the RSA closed (Smart, 2015).
Death of a Retiree: Section 10 of LASPEC Law stressed that where a retiree dies having commenced his retirement, there is no death benefit due from the last employer. The access to the death benefit would depend upon whether the retiree was receiving his monthly pension from a PFA or from an annuity of a life insurance company.

Death Benefit from RSA: Section 10(2) of LASPEC Law emphasized that where the monthly pension is being paid through the programmed withdrawal module of the PFA from the RSA, the beneficiary or next of kin in the PFA database is to provide to the PFA a letter of notification of the death of the retiree with supporting document. Pencom (2016) mentioned in its guidelines expected document to process payment of death benefit from retirement savings account which include:

- Medical Certificate of cause of death
- Police Report (if death was due to an accident)
- Burial Certificate
- Obituary poster or programme (if any)

The Pension Fund Administrator (PFA) provides the requisite forms for completion which are submitted with necessary documentation as required. After submission and verification of the document received by the PFA, approval is sought and obtained from PENCOM. The total RSA balance is then paid to the beneficiary or beneficiaries or estate of the deceased as given in the Will or Letter of Administration and thereafter the RSA closed. Where the retiree has not commenced receipt of his monthly pension and death occurs, it is the PFA that would pay the RSA balance to the beneficiary or estate of the deceased. The process for death benefit from the RSA applies.

Death Benefit from Annuity of a Life Insurance Company: Smart (2015) stated that where the monthly pension is being paid through the annuity product of a life insurance company, and where death occurred within the guaranteed period given in the death (usually 5 or 10 years), the
beneficiary or next of kin in the database is to provide a letter of notification of the death of the retiree with supporting document which include:

- Medical Certificate of cause of death
- Police Report (if death was due to an accident)
- Burial Certificate
- Obituary poster or programme (if any)

The annuity balance is payable to the beneficiary or beneficiaries or estate of the deceased upon completion of the requisite forms and submission of the supporting document required. However, it should be noted that where death occurs after the period of guarantee (for a single life annuity contract), no amount is payable under the annuity product (Pencom, 2018).

**Missing Employees:** Notwithstanding anything to the contrary contained in any other Law, where an employee is missing and not found within a period of one year from the date, he was declared missing, and a Board of inquiry set up by the commission concludes that it is reasonable to presume that he has died, the provisions of section 10 (1)&(2) of Lagos State contributory pension Law shall apply.

**Verification Exercise:** The PFA and insurance company would carry out verification exercise as required to confirm that the pensioner is still for payment of the monthly pension benefits. This is usually done annually or as deemed necessary.

However, a critical issue arises in this regard as the section 47 of the Law limits payment of death benefit to employees exempted from the scheme that has three or less years to retire and died before retirement date without life assurance death nomination form. Accordingly, where inevitable occurred in the aspect of leave of absence of an officer with or without pay, whether the deceased is entitled to death benefit has not been adequately considered. Moreover, resurface of the missing employee has also not been discussed in the repealed contributory pension law. Nevertheless, this is a laudable initiative against an era when workers retire or died in the course of active service without any reward for accrued rights.

**Challenges in the Payment of Death Benefit**

The overall striking challenge in Nigeria pension schemes is that only one pension scheme is in place for both public and private organisations. In developed economies, there is more than one type of pension scheme from which choices could be made by an organisation or individual (Cesay&Taiwo, 2016). Despite the only State that practices the contributory pension scheme to the fullest in Nigeria, it still encounters some challenges severally and individually on each step of the scheme (Onanuga, 2018). Payment of death benefit challenges include:

i. **Non-Provision of Will and or Letter of Administration:** - The germane document required for the payment of death benefit is Will. In the absence of provision of Will is the processing of letter of administration from the probate. Without Will, it means the deceased died intestate, payment cannot be made to the beneficiaries hence the need for letter of administration. Ten percent (10%) of the estate will be deducted by the probate as charges for the provision of the letter of administration. The earliest period for the processing of the letter of administration is 2years (Onanuga, 2020).

ii. **Annuity Providers:** The law also establishes the group life policy for death benefit of employees, whilst in service, as well as the Retirement Bond for employees with past
service benefits and the Redemption Fund from which the liability of the bond payment would be made but due to paucity of funds from government side and lateness in yielding to the payment of the benefit by the insurance company brings about destitution of deceased dependents and beneficiaries (LASPEC, 2019).

iii. Processing of the Death Benefit Payment: LASPEC (2019) it appears from the guidelines that death benefit processing involves different agencies such as office of the State / Local Government auditor generals, State treasury office, annuity provider (LASACO) and LASPEC. These delays prompt payment of benefits by LASPEC. Internal arrangements could be made to invite all stakeholders for joint assignment to facilitate timely payment of benefits.

iv. Reconciliation of Policy Holder RSA: delay experienced in reconciling accrued rights, employee/employer contributions and deceased employee’s loan affects timely payment of death benefits. This could be dealt with by applying automation in the discharge of assigned responsibility to that effect (Hayes, 2020)

Theoretical Review
The underpinning theory to this study is activity theory. The theory is based on the belief that in order for one to forestall posterity success; he or she must keep active. The theory was formulated by Havighurst and Albrecht in (1972) as cited in Nehemia-Maletzky (2018) stated that social security role participation is essential for positive adjustment to inevitable. Havighurst & Albrecht (1972) created the term “activity theory” that active workers could only remain psychologically and socially fit if remained active and purposeful for the future generation and that loss of roles could affect life satisfaction negatively. The proponent of the theory said that the quality of interaction for posterity’s sake is more important than the quantity of activity.

Empirical Review
Several empirical studies have been carried out on payment of benefits to beneficiaries across the globe. Amongst the studies are: Imam (2011) which examined the potential and actual role played by government in compensation fund management. It is shown that government played important role in investment performance in terms of social and economic posterity. The researcher stated that compensation funds are well placed to take advantage of the benefits. Such fund typically hold low proportions equity on their portfolios which hamper its growth but at the same time low equity proportions means more safety for the funds to cater for expected dependents without which some degree of “home bias” is likely to occur naturally, it is undesirable for regulations to enforce tighter limits on proportion of equities and there is thus considerable scope for improvement in the current system and other issue that need attention for making equitable justification in the payment of deceased benefit.

Cocco and Paula (2014) researched on relationship between defined benefit and defined compensation plans. The researchers suggested that the plans differ in their contribution rates and in the way those benefits are calculated. It was mentioned that proportion of final salary or proportion of lifetime earnings determines the choice of benefit plan. Among other determinants of pension choice is that individuals who face higher earnings volatility are less likely to choose defined benefit
plan and individuals with higher earnings are more likely to choose defined compensation plan. These results constitute evidence of self-selection of individuals into different benefit pension plans.

Rono (2016) explored factors influencing pension fund managers’ investment decisions. The study which was carried out in Kenya identified investment options available to pension funds and considerable factors in making investment decisions. The study found out that returns, investment risks and trends in interest rates were the most important factors affecting pension managers’ investment decisions. Decision-making preferences, investment portfolio, past performance and legal framework was rated as part of important factors of pension funds investment. The researcher identified a need for a portfolio that will give higher returns. There is also need to harmonize all regulations relating to pensions in order to create efficiency and avoid confusion. The reviewed of several studies have shown that death benefit payment has significant relationship with workers physical and mental wellbeing. Accordingly, their findings are able to attest that social security plan is a policy that can be used to cater for dependants or beneficiaries of a deceased employee.

**Research Methods**

*Sample Selection and Procedure*

Survey research design with open-ended interviews was employed for this study. Innovations in small sample research are particularly significant because the research questions posed in small samples often focus on wellbeing of vulnerable population. Thus, the population for the study consists of staff, seven (7) members of Lagos State pension commission that are directly involved in the process of death benefit and Thirteen (13) dependents/beneficiaries of the deceased worker’s benefit that approach LASPEC. Twenty (20) respondents were employed for the study (7 respondents from LASPEC and 13 respondents from dependents/beneficiaries). The researcher adopted Etz & Arroyo (2015) which presumed that small sample size could be posed on individuals that are most at risk or afflicted are by definition small in number when compared to the larger dominant society (Etz & Arroyo, 2015).

Lagos State pension commission is the supervisory agency for the regulation and administration of public service employees’ benefits in the State. The Agency was chosen for the study because Lagos State Government happens to be the first adopter of the contributory pension scheme and payer of death benefit through the scheme since its enactment by the Federal government of Nigeria (Onanuga, 2018). Approaches to data collection enable the production of qualitative data rich in detail, due to the careful description of interactions, and attention to the direct quoting of the participant’s subjective account. This approach permits an understanding of the world, seen through the eyes of the respondent, within the context of their daily life (Strunin & Boden, 2017). All respondents in the study had a recognizable claim for either payer or beneficiary of death benefit payment in Lagos State public service. This comparison was conducted to ascertain sample representativeness given the voluntary nature of participation and the relatively small number of interviewees. Interviews were recorded verbatim in lieu of respondent’s bio-data. Interviews varied between 7 and 10 minutes in length.
**Interview Design**

A semi-structured interview guide by (Wall & Morrissey, 2019) was adopted to assist in the collection of comparable data, listing questions in a suitable order. Participants were asked to describe difficulties encountered, indicate their level of satisfaction with the provision of group life policy and death benefit process and to comment on the effect of Will and or letter of administration being involved in the compensation system on their self-identity. All interviews were conducted and recorded by the researcher with the cooperation of an expertise in the contributory pension scheme.

**Analytical Procedures**

Responses were arranged by the interviewing researcher. The theme was identified in the wording system and given a sub-topic label. As the interviews were based on a semi-structured format, participants already had a series of mutually relevant topics around which to structure their responses such as (difficulties encountered, indicate their level of satisfaction with the provision of group life policy and death benefit process and to comment on the effect of Will and or letter of administration being involved in the compensation system on their self-identity). The results were initially grouped around these categories. Multiple listing and written of play and replay of the record, and more detailed analysis and interpretation of the categories resulted in the extraction of common subject matter and the notation of differences.

**Results**

Results suggested a positive assumption on group life policy. It assumed that adherence with the group life policy procedures on payment of death benefit by the State government serves as a succor, relief, hope and compensation for the policy holder dependent and beneficiary. A moderate positive result on promptness payment of social security plan and provision of Will and or letter of administration was also observed. In effect, it brings about responsibility, justice, fairness, honour, trust and perceived support was apparent by the State government to the demised employee relatives. These subject matters are described in the following paragraphs, grouped around the semi-structured interview themes from which they were evoked. These include difficulties encountered in processing the benefit, indicate their level of satisfaction with the provision of group life policy and death benefit processes and to comment on the effect of Will and or letter of administration being involved in the compensation system on their self-identity.

**The Difficulties Encountered in Death Benefit Process**

Workers in the study reported a range of experiences associated with their work which appeared to relate to locus of control while dependant/beneficiary/spouse (beneficiary of the policy holder) also reported ordeal experiences when the policy holder is buried without death certificate and another related document. It appeared that these individuals experienced a more internal control mechanism as reflected in the following two examples:

**Respondents**

**Staff:**

i. *Some of the documents provided are not in tandem with the check list of the Commission. Hand written will provided by beneficiary could not suffice without relevant signature and stamp.*
ii. There is a laid down procedure in the collection and summation of death benefit document as all required document must be intact such as death certificate, obituary and Will or Letter of Administration in the absence of Will. Provision of the letter of administration takes more than a year to process at probate in the absence of will.

**Dependents/beneficiaries:**

i. Lack of preparation of relevant document of the policy holder before the inevitable occurs hindered early process of the death benefit. This makes the beneficiary suffers and may not be able to access to benefit

ii. Lack of preparation of will by the deceased worker and hastiness in the burial arrangement without death certificate hinders documentation process for the payment of death benefits.

Some who took a proactive stance reported with annoyance that many workers in the lower and middle levels are not aware of the life assurance nomination form that should had been filled by the deceased worker before the inevitable occurred. Interviewees in support of adequate awareness of the life assurance nomination form constitute 70.01%. However, Lagos State public service is urgently needed to issue a wide publicity circular to that effect, informing the entire workforce of the importance of the form.

### Processing of Group Life Policy and Payment of Death Benefits

Worker’s levels of satisfaction with the payment of premium for the group life policy tended to be pleased. The notion behind it necessitated the inevitable which may affect any worker without notice. Dependant/beneficiary/spouse (beneficiary of the policy holder) reported that provision for the policy gives hope to them to foster ahead of existence challenges after the death of a supporter. Interestingly, rarely did a participant report low satisfaction with all parties involved in the management of the policy.

Generally, it seemed that interactions with the death benefit workers and beneficiaries were co-terminus and satisfactory on provision of the group life policy and death benefit payment procedures. The following demonstrate the variability.

**Respondents**

**Staff:**

i. The premium payer (Lagos State government) was very proactive and made things happen quickly. It facilitated the entire bill-paying that when the inevitable occurred, there would not be any pronouncement of “paucity of funds” to settle the debt.

ii. The new pension policy brings about payment of the benefit directly to the beneficiaries in the sum of 320% of the deceased annual emolument. This has tremendously worked in favour of the workers against the hypothetical pension in the defined benefit scheme.

**Dependents/beneficiaries:**

i. Perceived satisfaction appeared highly on dependants on the quality of
Interactions with a particular claims officer or consultant on the provision of death benefit. This will allow the beneficiaries sought out immediate wants and needs such as feeding and domestic necessities.

ii. The process may be cumbersome, but it ensures payment of accurate amount to every individual involved. Cheque(s) were issued physically to every beneficiary mentioned in the document presented.

Promptness in the Payment of Social Security
Workers describing negative compensation experiences reported greater impact on self-identity, particularly in regard to increased suspicion and reduced trust in human character. Provision of evidences for proclaiming distribution of estates to beneficiaries in a Will form as part of requirements in the payment of social security is germane. Also, dependant/beneficiary/spouse (beneficiary of the policy holder) reported sharp practices entails the provision of Will towards distribution of deceased estate. Some reported that such situation occurs in a state where the deceased worker dies intestate. It seemed that these individuals had a though experience as reflected in the below stated examples:

Respondents

Staff:

i. It is imperative to inform the entire workforce to prepare their Will(s) in order to avoid delay in payment of any benefit accrued to the employees (dead or alive) as getting a Will to settle social security benefits is as good as preparing a presume. Its preparation does not mean tomorrow’s death.

ii. I am far less trusting than before. I have less self-confidence for human behaviour. It is hard to cope with public service assignments. Provision of phony document by beneficiaries may lead to dismissal of the officer handling death benefit payment.

Dependents/beneficiaries

i. I have not handled the situation well at all. Nearly five years down the trail I have come to realize that I am as affected now as I was when I first lodged the claim. Many times, I wish I never had. My personal life has deteriorated and I have uncontrollable episodes of anger. I believe that I have a valid document and written one for that matter by my father without being counter signed. There is no doubt in my mind that this has gotten progressively worse over the last five years. To get a valid will is better than going to probate to process letter of administration.

ii. From experience, I can vividly say “no will no social security benefit” processing of letter of administration is hectic and attracts funds. Without which, beneficiaries may continue to live in abject poverty.

Majority of responses to the question of changes to self-identity in the provision of ambiguous document described an eroded sense of self-confidence and reduced trust in others. Many reported disturbed effects of lack of Will preparation which is more likely to represent affective state. 85.0%
of the respondents agreed that Will preparation suffice for death benefit payment than sorting for letter of administration as lack of genuine Will brought about a strong social disconnection and alienation which appeared to either prompt sadness or anger on a trustworthy worker or beneficiary.

Discussion of findings

The main purpose of this study was to assess the effectiveness of death benefit payment in Lagos State by means of qualitative analysis. The finding shows that death benefit has a positive effect on existing staff and beneficiary/dependant/spouse of deceased worker of Lagos State. Processing rate of the group life policy showed adherence with the procedures on payment of death benefit by the State government. The death benefit serves as a succor, relief, hope and compensation for the policy holder dependent and beneficiary. However, this finding is aligned with the study of Imam (2011) posited that benefit fund typically hold low proportions equity on their portfolios which hamper its growth but at the same time low equity proportions means more safety for such funds to cater for expected dependants without which some degree of “home bias” is likely to occur naturally.

Promptness in payment of social security plan and provision of Will and or letter of administration revealed positive assumption. This brings about responsibility, justice, fairness, honour, trust and perceived support by the Lagos State government to the demised employee relatives. This finding collaborates with the study of Cocco and Paula (2014). The researchers suggested that proportion of final salary or proportion of lifetime earnings determines the choice of benefit plan.

Conclusion and Recommendations

Death benefit is a portion of social security mechanism that enables dependants and beneficiaries of particular estate escape destitution. It thus, meets the yearnings of basic needs of dependants when policy holder income stops. It is clear that Lagos State government has good intention with adoption of the death benefit policy embedded in the adopted contributory pension scheme.

It was recommended that; Lagos Pension Commission should endeavour to ensure that every employee of the State public service completed the life assurance death nomination form to enhance prompt payment of the benefit in case of any occurrence of inevitable.

It is equally important to mention that LASPEC should advise the entire Lagos State workforce to prepare their Will(s) being part of the germane document required for the payment of social security values. This is necessary to avoid delay in payment of any benefit accrued to the employees (dead or alive).

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