



**AGREEMENT BETWEEN NIGERIA SOCIAL INSURANCE TRUST FUND (NSITF) AND NIGERIA EMPLOYERS' CONSULTATIVE ASSOCIATION (NECA) ON THE IMPLEMENTATION AND ADMINISTRATION OF THE EMPLOYEES' COMPENSATION ACT 2010 ON 22<sup>ND</sup> NOVEMBER, 2016.**

**Preamble**

Following the Interactive session on the Implementation and Administration of the Employees' Compensation Act 2010, which held on the 1<sup>st</sup> September, 2016 at NECA House, Alausa, Ikeja Lagos, it was decided that a Joint Committee of NSITF and NECA be constituted to deliberate on certain aspects of the implementation of the ECA 2010 and come up with a mutually acceptable position.

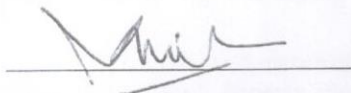
**Summary of Agreements Approved by the Ag. M.D., NSITF and D.G., NECA**

The following agreements were approved for implementation by the implementation Committee comprising the Ag. Managing Director, NSITF and the Director General, NECA:

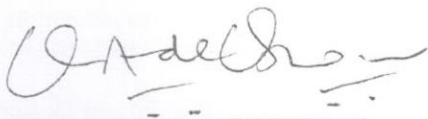
1. On understanding reached between Nigeria Employers Consultative Association (NECA) and Nigeria Social Insurance Trust Fund (NSITF) at past interactive fora, it was reiterated that the forbearance of outstanding contributions for the period 1<sup>st</sup> July to 31<sup>st</sup> December, 2011 for NECA members has not changed. Beneficiaries would be considered on a case by case basis subject to compliance with effect from the 1<sup>st</sup> January, 2012.
2. On the definition of payroll, the explanation of remuneration as contained in the Act suffices with the following exclusions :
  - Pension Contribution
  - Bonuses - performance related payments (whether monthly, quarterly or yearly).
  - Overtime Payments
  - Irregular one-off payments: e.g. driver's allowances, Medicals, 13<sup>th</sup> month payment, etc.
3. The Fund will continue with the Safe Work-place Intervention Programme (SWIP) in collaboration with NECA and expand same to cover more Geographical Regions. In the same vein, the Fund will increase its investment in the training of Private Sector Employers in the promotion of safety culture and in claims processing.
4. Where an employer has met its obligations of prompt and up to date remittance to the Fund and has long standing claims with the Fund the following process will be followed for resolution:
  - A formal complaint would be filed with the nearest Region or Branch Office of the Fund for the attention of the Regional Manager with a copy to NECA.
  - NSITF will carry out due diligence on the current outstanding claims and a response will be communicated within 4 weeks to the Employer and NECA will be copied.
  - Subsequently, resolution of all future claims should be addressed within a 2-weeks period subject to the submission of all documents relevant to the request.
  - Any future disputes will be subjected to a review by the standing resolution committee and the recommendation of the committee will be subject to the approval of the Implementation committee

5. On the interpretation of 'Arising out of or in the course of employment' the scope of the term is well defined in Section 7(2) and 11 of ECA (2010). Any accident, therefore, that is within the circumstances listed therein, falls within the scope of the Scheme.
6. The NSITF will endeavour to fast-track the:
- a) Reconvening and activation of the Independent Investment Committee of the Fund as provided for in Section 62 of the ECA 2010.
  - b) The setting up and convening of the Medical Board of Inquiry as provided for in Section 8 (3) and 9 (8) of the ECA 2010.
  - c) Setting up of a standing committee of equal representation to meet bi-annually to review issues that may arise in future and make appropriate recommendations to the Implementation Committee.
    - The Implementation committee shall be made up of the D.G., NECA and M.D., NSITF to approve recommendations from the Standing Committee.
7. The effective date of the implementation of the new dispensation will be 1<sup>st</sup> January, 2017.

Signature and Date:



**Ismail M. Agaka**  
Ag. Managing Director  
Nigeria Social Insurance Trust Fund (NSITF)



**O. A. Oshinowo**  
Director General  
Nigeria Employers' Consultative Association (NECA)