

CIRCULAR

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Office of the Head of the Civil
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10th June 2026

Chief of Staff to the President, C-in-C
Deputy Chief of Staff to the President,
Honourable Ministers,
Secretary to the Government of the Federation,
Permanent Secretaries,
Service Chiefs/Inspector-General of Police,
Chairman, Federal Civil Service Commission,
Chairman, Police Service Commission,
Chairman, Code of Conduct Bureau;
Chairman, Code of Conduct Tribunal,
Chairman, Federal Character Commission,
Chairman, Revenue Mobilisation, Allocation & Fiscal Commission,
Chairman, National Salaries, Incomes and Wages Commission,
Chairman, Independent National Electoral Commission,
Chairman, National Population Commission,
Chairman, Economic and Financial Crimes Commission,
Chairman, Independent Corrupt Practices and Other Related
Offences Commission,
Chairman, National Drug Law Enforcement Agency,
Chairman, National Assembly Service Commission
Chairman, Nigeria Revenue Service
Clerk of the National Assembly,
Secretary, National Judicial Council,
Accountant-General of the Federation
Auditor-General for the Federation,
Surveyor-General of the Federation,
Chief Registrar, Supreme Court of Nigeria,
Chief Executive Officers of Treasury-funded Extra-Ministerial Departments
and Agencies

**IMPLEMENTATION OF EXIT BENEFIT SCHEME FOR EMPLOYEES OF
TREASURY-FUNDED MINISTRIES, DEPARTMENTS AND AGENCIES**

Further to the approval by the Federal Executive Council of an **Exit Benefit Scheme** for employees of Treasury-funded Ministries, Departments and Agencies (MDAs) who have served for a minimum of ten (10) years, the Office of the Head of the Civil Service of the Federation has developed the attached Guideline for its implementation. The Scheme takes effect from **1st January 2026**.

2. The Guideline contains the eligibility criteria, required documentation, as well as the processes and procedures for accessing and disbursing the benefit. It also outlines the budgeting process for the Scheme, and clearly defines the roles of the relevant MDAs.

3. In line with the approval of the Council, the **Exit Benefit Scheme** shall be fully funded by the Federal Government through annual budgetary provisions captured under the budget lines of the National Pension Commission.

4. The Exit Benefit Scheme is designed to enhance the welfare of eligible Federal Government employees upon their exit from Service. Under the Scheme, eligible beneficiaries shall receive an amount equivalent to one hundred percent 100% of their total annual emoluments at the time of exit from the Service.

5. For the avoidance of doubt, the introduction of the Exit Benefit Scheme is complementary to the on-going Contributory Pension Scheme. The existing Pension Scheme continues in operation.

6. Accordingly, all Treasury-funded MDAs are hereby directed to commence immediate implementation of the Exit Benefit Scheme strictly in line with the attached Guideline.



Mrs. Didi Esther Watson-Jack, OON, mni
Head of the Civil Service of the Federation



**GUIDELINE FOR THE IMPLEMENTATION OF EXIT BENEFIT SCHEME
FOR EMPLOYEES OF TREASURY-FUNDED MINISTRIES,
DEPARTMENTS AND AGENCIES**

1.0 Introduction:

1.1 In a bid to improve the welfare of employees of Treasury-funded Ministries, Departments and Agencies (MDAs), the Federal Government has approved the implementation of Exit Benefit Scheme (EBS), for eligible exiting employees who must have served a minimum of ten (10) years. The value of the benefit shall be 100% of the employee's total annual emolument at the point of exit from the service.

2.0 Objectives:

2.1 The objectives of this Guideline are to:

2.1.1 ensure efficient, transparent and accountable implementation of the Exit Benefit Scheme;

2.1.2 establish a clear institutional framework defining the roles and responsibilities of all implementing MDAs and Pension Fund Administrators (PFAs);

2.1.3 provide a sustainable funding structure that ensures timely appropriation, release, and utilization of funds for the payment of exit benefit to eligible beneficiaries;

2.1.4 ensure accurate data management and beneficiary's verification, thereby eliminating duplication, reducing errors, and strengthening the integrity of the payment process; and

2.1.5 facilitate the timely and seamless payment of benefit to eligible exiting employees in an efficient manner.

3.0 Eligibility Criteria:

3.1 An exiting employee must meet the following criteria to benefit from the Exit Benefit Scheme:

- i. be in the employment of a Treasury-funded Ministry, Department, or Agency (MDA), up to the point of mandatory or voluntary retirement/disengagement;



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- ii. have served for a minimum of ten (10) years of continuous Service prior to attaining mandatory or voluntary retirement/disengagement from the Service; and
- iii. have exited from the Service of a Treasury-funded MDA not earlier than 1st January, 2026.

4.0 Budgeting and Funding Arrangements:

- 4.1 The Exit Benefit Scheme shall be fully funded by Government as a non-contributory, post-exit entitlement for eligible employees of Treasury-funded Ministries, Departments and Agencies (MDAs).
- 4.2 Specifically, the Federal Government, through annual budgetary process, shall be responsible for ensuring that sufficient funds are allocated to meet the financial obligations of the Scheme at its commencement and during subsequent operations.
- 4.3 This funding responsibility underscores the Scheme's status as a statutory welfare initiative, and reinforces Government's commitment to supporting employees with additional benefits upon exiting from the Service after a minimum of ten years.
- 4.4 The budgetary provision for the EBS shall be classified under the National Pension Commission budget line for employees of the Treasury-funded MDAs retiring under the Contributory Pension Scheme (CPS) as approved by the Federal Executive Council.
- 4.5 Consequently, in order to ensure effective implementation, accountability and transparency, this Guideline outlines the modalities for data collation, determination of budgetary estimates, funding procedures as well as custody of budgetary releases for the Scheme.

5.0 Establishment of a Dedicated Account:

- 5.1 To facilitate efficient management and accountability, a dedicated **Exit Benefit Scheme Account** shall be maintained with the Central Bank of Nigeria (CBN) under the management of PenCom. This account shall be operated solely for the purpose of financing the Exit Benefit Scheme. It shall enable transparent tracking of inflows and outflows, ensuring that all disbursements are properly accounted for and that records are maintained by all relevant agencies.
- 5.2 The account shall receive releases from the FGN annual budget, including any special provisions that may be granted.



6.0 Budgeting and Funding Processes:

6.1 Data Collation:

6.1.1 The implementation of the EBS shall commence with a comprehensive pre-retirement data collation process from the Integrated Payroll and Personnel Information System (IPPIS) and Government Integrated Financial Management Information System (GIFMIS) platforms in the Office of the Accountant-General of the Federation (OAGF) as well as from relevant Treasury-funded MDAs (via PenCom's Enrolment Portal). The data shall be used to determine budgetary estimates for the next fiscal year for the EBS.

6.1.2 The OAGF via IPPIS and GIFMIS shall submit to PenCom, through its portal, the data of all eligible employees due for retirement in next fiscal year.

6.1.3 The required data referenced in 6.1.2 above shall be submitted not later than the end of first quarter (Q1) of the preceding year, for the computation of budgetary estimates.

6.1.4 In addition to 6.1.2 above, relevant Treasury-funded MDAs shall also identify and upload the data of all eligible employees due to retire in the next fiscal year on PenCom's portal before the end of first quarter (Q1) of the preceding year.

6.2 Determination of Budgetary Estimates:

6.2.1 Upon receipt of the data referenced in 6.1 above, PenCom shall analyse the data and establish a clean and verified database of retiring employees, for computation of exit benefits and determination of the associated financial budgetary requirements.

6.2.2 PenCom shall also carry out trend analysis using previous years' actual data to forecast financial requirements/estimates taking into account unforeseen death or exit of eligible employees in order to determine the mark-up of the budgetary requirements/estimates for the next fiscal year.

6.2.3 PenCom shall, within the second quarter (Q2) of the preceding year, forward such budgetary requirements/estimates to the Budget Office of the Federation for inclusion in the FGN annual budget.



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6.2.4 The Budget Office of the Federation shall, upon receipt of the budgetary requirements/estimates for financing the Exit Benefit Scheme, ensure that the required amount is appropriated in the FGN annual budget of the next fiscal year.

6.3 Funding the Exit Benefit Scheme:

6.3.1 The Federal Ministry of Finance (FMF) shall be responsible for preparing and approving a quarterly Cash Plan in line with the approved budgetary allocation for the payment of Exit Benefit Scheme.

6.32 In this regard, the FMF shall, at the beginning of each quarter, prepare and approve a Cash Plan for the payment of the EBS for the three months in the quarter. The same process shall be repeated at the beginning of each subsequent quarter of the year.

6.3.2 The Office of the Accountant-General of the Federation shall, upon receipt of the approved Cash Plan, process and release funds into the dedicated Exit Benefit Scheme Account domiciled with the CBN.

7.0 Documentation and Payment Procedure:

7.1 Required Documents:

7.1.1 Upon application by the eligible exiting employee or Next of Kin (NOK), the MDA shall issue a Letter of Clearance, which shall indicate whether the employee is indebted to the Federal Government or not. The MDA shall issue the letter, at least three (3) months prior to the employee's retirement/exit. In the case of a deceased employee, the MDA shall issue the letter immediately to the NOK. A specimen of the Letter of Clearance is included in this Guideline as an Appendix.

7.1.2 All eligible retiring/exiting employees or the NOK of deceased employees shall submit the following documents to their respective PFAs not later than **three months** prior to retirement or exit:

- i. Letter of Clearance;
- ii. Letter of Last Promotion;



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- iii. Last three months' payslips prior to exiting from the Service; and
- iv. Letter or Gazette of first Appointment.

7.2 Payment Procedures:

7.2.2 Upon receipt of the documents in 7.1.2 above, PFAs shall capture the employee's employment and salary details as provided in the Pay Slip and, subsequently upload the documents on PenCom's portal.

7.2.3 At the beginning of each quarter, the Office of the Accountant-General of the Federation (via IPPIS and GIFMIS), shall submit to the Enrolment Portal of PenCom, data on all eligible employees exiting Service in the next quarter.

7.2.4 Following the receipt of submissions from PFAs and OAGF (IPPIS/GIFMIS), PenCom shall integrate and harmonise the data to facilitate the computation of exit benefits for enrolled eligible employees.

7.2.5 PenCom shall compute the exit benefit for all enrolled eligible employees due to retire in the next quarter, within the quarter preceding their retirement.

7.2.6 PenCom shall process and remit EBS to PFAs on monthly basis.

7.2.7 PFAs shall process and credit the salary bank account of each exiting eligible employee or Next of Kin, not later than ten (10) working days after receipt of the remittance from PenCom.

7.2.8 All eligible employees registered on the PenCom's portal can monitor and track the status of their exit benefit through their account on the portal.

7.2.9 Where there are complaints/issues relating to delays, under-payment or non-payment of exit benefits, eligible beneficiaries shall, in the first instance, contact their respective PFAs for resolution. Where the issues remain unresolved, the complaint shall be escalated to PenCom.



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8.0 Procedures for the payment of Exit Benefit to 2026 retirees for the period 1st January to 30th September 2026

8.1 It is important to provide for these categories of eligible employees who had retired or would retire prior to the development of the Guideline.

8.2 In view of the foregoing, the following procedure shall be followed in processing the exit benefit in respect of eligible 2026 retired or retiring employees, pending the application of the guideline.

8.3 Documentation and Payment Procedures:

8.3.1 Required Documents:

8.3.2 All eligible 2026 employees who had retired or exited from the Service with effect from 1st January 2026 up to 30th September 2026, upon application, shall obtain the Letter of Clearance from their respective MDAs and submit same to their PFAs.

8.3.3 Each eligible employee as defined in 2.1.1 above, shall submit to his/her PFA the following documents:

- i. Letter of Clearance, indicating non-indebtedness to his/her MDA;
- ii. Pay Slip for the last two months preceding the date of exit; and
- iii. Letter of Acceptance of Retirement, indicating effective date of retirement.

8.3.4 In the case of eligible employees who died during this period (1st January to 30th September 2026), their Next-of-Kins upon application shall obtain and submit the following documents to PFAs of the deceased employees:

- i. Letter of Clearance, indicating non-indebtedness to his/her MDA;
- ii. Pay Slip for the last two months preceding the date of death; and
- iii. Death Certificate of the deceased employee



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8.4 Payment Procedure:

8.4.1 The PFAs shall review the documents for correctness and forward the electronic copies and details of the eligible exited/exiting employees in the template below, to PenCom for processing:

S/N	IPPIS/ GIFMIS No.	RSA PIN	Full Name	Date of First Appointment	Date of Retiremen	Grade Level at Retirement	Step at Retirement	Gross Monthly Salary	PFA Name	Bank Name	Salary Account Number
1											
2											
3											
4											
5											
6											
7											

8.4.2 In addition, PenCom shall request data of the eligible retirees/prospective retirees for this period from OAGF (IPPIS and GIFMIS platforms) in the format specified in the table above.

8.4.3 PenCom shall integrate and harmonize the data of the eligible exited/exiting employees, compute their exit benefit and process same for remittance to their Retirement Savings Accounts (RSAs).

8.4.4 PenCom shall prepare the exit benefit remittance schedules and transfer the corresponding amounts to the beneficiaries' RSAs through their respective PFAs.

8.4.5 Upon receipt of value and the corresponding schedules, PFAs shall immediately credit the salary bank accounts of the eligible exiting employee with their exit benefit as stated in the schedule sent by PenCom.

8.4.6 Where there are complaints/issues relating to delay, underpayment or non-payment of exit benefits, eligible exiting employee/NoK of deceased employees should, in the first instance, contact their PFAs for resolution. In the event that they are not satisfied, they should escalate their complaint to PenCom.

Dated this 10th June 2026