



**ADVISORY NOTE ON EMPLOYEES' COMPENSATION SCHEME:  
GUIDELINES FOR IMPLEMENTATION**

The Nigeria Social Insurance Trust Fund (NSITF), through an advertorial in the Guardian Newspaper of 29<sup>th</sup> June 2011, has informed the public, particularly Employers of Labour, on the launch of the Employees' Compensation Act Scheme which would take effect from July 2011.

It will interest you to know that NSITF and NECA had had series of interactive and enlightenment sessions on the implementation of this Act, which has culminated in a Communiqué on the modalities for the take-off. While we are advising and encouraging each member to commence implementation with effect from July 2011 as stated in the advertorial, we equally want to advise members to base the deduction on 1% of Total Emolument, **defined as the summation of Basic Salary, Transport and Housing Allowances, as against "payroll", which NSITF indicated in its advertorial.** This would be in line with the agreement already reached with NSITF on this matter.

Companies that had already insured their employees under the old dispensation (Workmen's Compensation) and had paid half year premium (January - June) should immediately migrate to the new dispensation of Employees' Compensation Act.

For companies that had already paid their premium for the entire year, we advise that they enter into a one on one discussion with the NSITF to arrive at a mutually acceptable position, in view of the fact that the Employees' Compensation Act has made the benefits and rights of employees justiciable under the new dispensation, for which NSITF would be held liable in the event of any workplace injuries.

Thank you.