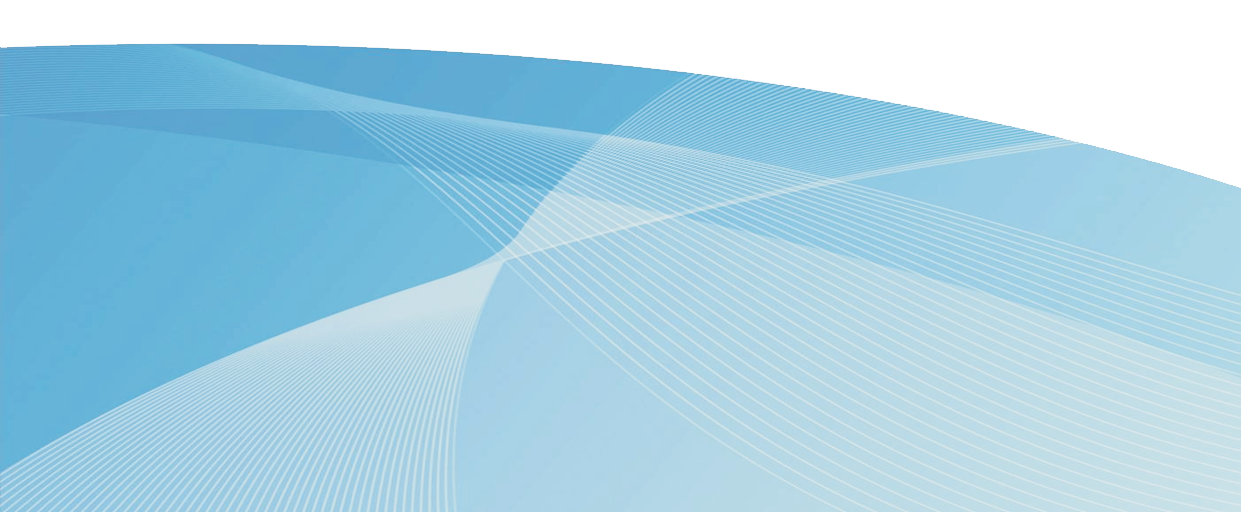
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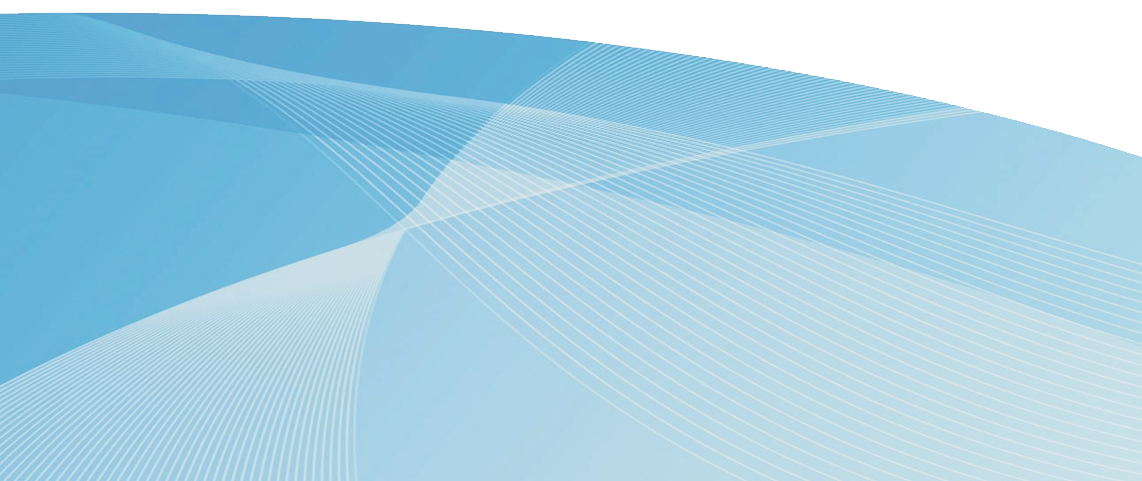
**DCSL Corporate Services Limited Breakfast Session**

**A Critical Look at the Employee Compensation Act 2010**

Towards efforts to raise the bar in the Company Secretarial profession, DCSL Corporate Services Limited hosted a roundtable for Company Secretaries with the theme “*Caught in the Middle*”. This afforded Company Secretaries the opportunity to share practical experiences and tips on the challenges they encounter in the performance of their duties and responsibilities from both a practical as well as Corporate Governance perspective.

A few months later, the Employee Compensation Act 2010 came under discussion at a Roundtable and Breakfast Session also organized by DCSL Corporate Services Limited. The event was held at the Le Meridian Hotel in Port Harcourt on Thursday 22nd of May, 2014 and afforded speakers the opportunity to discuss the provisions of the Act and its effect on employers. Attention was also drawn to certain provisions of the Act that require further attention.

The Roundtable was well attended by participants from the various business sectors in Port Harcourt. Facilitators at the session include Mazi Sam Ohuabunwa, MON (Lead Speaker), Professor Osi S. Akpogbomeh Osigbemeh, Mr. Godfrey A. W. Agorom and Barr. Edu Edet Inyang.

In his presentation, Mazi Ohuabunwa discussed the implications of the Act for employers. He explained that the payment of 1% of a Company’s yearly payroll is a disincentive to investment in Nigeria, as there are already several other levies on companies operating in Nigeria. According to him, making it mandatory for Employers to make a contribution of 1% of their payroll to the Employees’ Compensation Fund is tantamount to setting aside critical cash in the coffers of the Employees’ Compensation Fund rather than using the fund to drive the Company’s business.

Mazi was of the opinion that the discretionary power granted to the Board of the NSITF under the Act, which includes the power to classify companies, determine contribution rate, impose penalties and manage the funds was somewhat draconian. Prof. Akpogbomeh on his part touched on the definition of “Employer” and “Employee” under the Act to draw attention to the all-inclusiveness of the Act vis-à-vis the Workmen Compensation Act, noting that application of the Act extends to oral appointment. The consensus amongst participants was proving such appointment would be difficult.

Taking a cue from Mazi Ohuabunwa’s presentation, Barr. Edet Inyang spoke on the practical challenges of compliance with the Act, a topic which aroused extensive discussion by participants. He stressed the general apathy of employers owing to the fate of previous schemes managed by government agencies. A major fallout of the session was the need to gather empirical data on the level of compliance with the provisions of the Act as well as on settlement of claims.

According to Barr. Inyang, the failure to set out the full procedure for making claims under the Act had been a major source of concern to many claimants. Another problem was that the capacity of NSITF to effectively manage the scheme. Equally worrisome is the cumbersome and unduly lengthy appeal procedure set out in the Act, which could frustrate would-be claimants.

Mr. Agorom, presented an extensive comparison between the Workmen Compensation Act 2004 and Employee Compensation Act 2010, pointing out that the Employee Compensation Act 2010 has significantly improved employee benefit. He stressed the need for an integration of Health and Safety regulations into organizational structure, the full implementation of the Nigerian Factories Act of 1958 and other relevant laws.

Rounding off the discussions, the Managing Director of DCSL Corporate Services Limited, Mrs. Bisi Adeyemi, thanked participants for their contributions and assured them that the points and concerns expressed had been duly noted. She stated that although there had been substantial compliance by employers, more research would be conducted to ascertain the level of compliance. She also promised participants that all issues and concerns raised at the Roundtable would be communicated to the NSITF, and that at the next roundtable, efforts would be made to invite a representative of the NSITF to address these concerns.

**Who We Are**

DCSL Corporate Services Limited (DCSL) is a private limited liability company. We provide corporate, company secretarial, immigration and governance services to corporate bodies, individuals, government agencies and business organizations.

We operate from our Head Office in Lagos, with operational branches in Abuja and Port- Harcourt.

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