

GARNET VILLE ADVISORY & CONSULTANTS

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— COMPLIMENTARY CLIENT RESOURCE —

HR Compliance Checklist

For Nigerian Small & Medium Enterprises

Your practical guide to staying compliant with Nigerian employment law

Covering: Labour Act | Pension Reform Act | NSITF | NHIS | ITF | NDPA 2023 | PAYE

2026 Edition

This checklist is provided for general informational purposes only and does not constitute legal or professional advice.

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How to Use This Checklist

This checklist is designed for Nigerian SME owners, founders, and HR managers to quickly assess their HR compliance posture. Work through each section, tick items complete, and use the Notes column to capture outstanding actions, deadlines, or responsible team members.

Key: Not yet actioned Completed N/A = Not applicable to your business size or sector

01. Employment Documentation & Contracts

	Compliance Item	Key Details & Requirements	Status / Notes
<input type="checkbox"/>	Written Contract of Employment	Issue every employee a written employment statement within 3 months of commencement. Must include role, duties, remuneration, working hours, leave entitlements, notice periods, and termination provisions. [Labour Act, Section 7]	
<input type="checkbox"/>	Formal Offer Letter	Issue a signed offer letter before employment commences, clearly stating salary, start date, job title, probationary period, and any conditions of employment. Retain a signed copy on file.	
<input type="checkbox"/>	Job Description on File	Maintain a current, signed job description for every role. Essential for performance management, disciplinary processes, role clarity, and NSITF/pension administration.	
<input type="checkbox"/>	Employee Handbook / HR Policy Manual	A written HR policy manual covering: code of conduct, leave policies, grievance and disciplinary procedures, data protection, and workplace rules. Must be issued to all employees and signed as acknowledged.	
<input type="checkbox"/>	Probationary Period Policy	Define the probation period in the contract (typically 3–6 months), assessment criteria, and the process for confirmation or non-confirmation at the end of probation.	
<input type="checkbox"/>	Confidentiality / NDA Agreement	A non-disclosure agreement for all staff with access to business-sensitive or client information. May be a separate document or a clause within the employment contract.	
<input type="checkbox"/>	Employee Personnel File	Maintain a complete file per employee: ID documents, qualifications, contract, offer letter, signed policies, payroll records, leave records, performance reviews, and any disciplinary records.	

02. Payroll & Statutory Contributions

	Compliance Item	Key Details & Requirements	Status / Notes
PAYE TAX (Personal Income Tax Act)			
<input type="checkbox"/>	PAYE Employer Registration	Register as an employer with the relevant State Internal Revenue Service (SIRS) in the state(s) where you have staff. Retain your employer	

	Compliance Item	Key Details & Requirements	Status / Notes
		registration certificate on file.	
<input type="checkbox"/>	Monthly PAYE Deduction & Remittance	Deduct PAYE tax from all eligible employee salaries each month and remit to the relevant SIRS by the 10th of the following month. Failure attracts penalties and interest.	
<input type="checkbox"/>	Annual Tax Returns (Form A)	File annual employer tax returns with the SIRS by 31 January of the following year. Returns must include total emoluments and tax deducted per employee for the prior year.	
CONTRIBUTORY PENSION (Pension Reform Act 2014)			
<input type="checkbox"/>	Employee PFA Registration	All employees must have a Retirement Savings Account (RSA) with a licensed Pension Fund Administrator (PFA). Mandatory for employers with 3 or more employees. Obtain RSA PINs for all staff.	
<input type="checkbox"/>	Pension Contribution Rates	Minimum 10% employer contribution + 8% employee contribution = 18% of monthly pensionable emoluments (basic salary + housing + transport allowances).	
<input type="checkbox"/>	Monthly Pension Remittance	Combined contributions must be remitted to the employee's chosen PFA within 7 working days of salary payment. Late remittance attracts a 2% penalty per month on the outstanding amount.	
NSITF — EMPLOYEES' COMPENSATION SCHEME (ECA 2010)			
<input type="checkbox"/>	NSITF Employer Registration	All employers must register with the Nigeria Social Insurance Trust Fund (NSITF) regardless of business size. Obtain a current NSITF Compliance Certificate. Renewal is annual.	
<input type="checkbox"/>	NSITF Monthly Contribution (1% of gross payroll)	Employer pays 1% of total monthly gross payroll. No deduction from employee salary. Remit by the last working day of each month. Used to fund workplace injury/illness compensation.	
NHIS — NATIONAL HEALTH INSURANCE AUTHORITY (NHIA Act 2022)			
<input type="checkbox"/>	NHIS / HMO Registration	Mandatory for formal sector employers with 10 or more employees. Register the organisation and all eligible employees with an accredited Health Maintenance Organisation (HMO).	
<input type="checkbox"/>	NHIS Monthly Contributions (10% employer + 5% employee)	Employer contributes 10% and employee contributes 5% of monthly basic salary. The combined 15% is remitted monthly to the employee's chosen HMO. Covers employee, spouse, and up to four children under 18.	
ITF — INDUSTRIAL TRAINING FUND (ITF Act)			
<input type="checkbox"/>	ITF Registration	Mandatory for employers with 5 or more employees OR an annual turnover of ₦50 million or more. Register with the ITF and maintain a current ITF Compliance Certificate.	
<input type="checkbox"/>	ITF Annual Contribution (1% of annual payroll)	Contribute 1% of total annual gross payroll to the ITF. Remittance is due within 3 months after the company's financial year-end. Non-payment bars access to ITF training grants.	
NHF — NATIONAL HOUSING FUND (NHF Act)			

Compliance Item	Key Details & Requirements	Status / Notes
<input type="checkbox"/> NHF Registration & Deductions	Deduct 2.5% of each employee's basic monthly salary and remit to the Federal Mortgage Bank of Nigeria (FMBN). The statutory threshold is ₦3,000/month — which effectively applies to all employees given current wage levels. Register all employees with FMBN.	
GROUP LIFE INSURANCE (Pension Reform Act 2014, Section 9(3))		
<input type="checkbox"/> Group Life Insurance Policy	Every employer is legally required to maintain a Group Life Insurance policy for all employees. The minimum insured amount is 3× each employee's annual total emoluments. Cover must be in place before an employee's first day of work. This is one of the most commonly overlooked mandatory obligations for Nigerian SMEs.	
NATIONAL MINIMUM WAGE		
<input type="checkbox"/> Minimum Wage Compliance	No employee may be paid below the current National Minimum Wage. The federal minimum wage was revised to ₦70,000 per month in July 2024. Monitor state-level revisions as some states set higher floors.	

03. Leave Entitlements & Management

Compliance Item	Key Details & Requirements	Status / Notes
<input type="checkbox"/> Annual Leave Policy	Statutory minimum: 6 working days/year after 12 months of continuous service; increases to 12 working days for employees with 10+ years of continuous service [Labour Act, Section 18]. Best practice: 10–21 days. Leave cannot be forfeited — untaken leave is owed in cash at termination. Deferral by mutual agreement permitted for up to 24 months [Section 20].	
<input type="checkbox"/> Sick Leave Policy	Provide a minimum of 12 working days paid sick leave per calendar year. Policy must specify medical certificate requirements, carry-over rules, and how prolonged illness is managed. No statutory minimum is set in the Labour Act for executives.	
<input type="checkbox"/> Maternity Leave	Female employees are entitled to 12 weeks of maternity leave (6 weeks before delivery, 6 weeks after) at a minimum of 50% of salary, funded by the employer. Dismissal during maternity leave is strictly prohibited [Labour Act, Section 54].	
<input type="checkbox"/> Paternity Leave (Best Practice)	No federal statutory entitlement exists for private sector employees. However, offering 5–10 working days is emerging market standard and aids talent attraction and retention. Document your policy to set clear expectations.	
<input type="checkbox"/> Compassionate / Bereavement Leave	Not mandated for the private sector under the Labour Act but strongly recommended. Typical best practice: 3–5 days for immediate family bereavement. Document and include in your HR Policy Manual.	

	Compliance Item	Key Details & Requirements	Status / Notes
<input type="checkbox"/>	Leave Request & Approval Process	Implement a documented leave request and approval workflow. Maintain a leave register per employee showing entitlement, days taken, and remaining balance. Records must be accessible for audit.	
<input type="checkbox"/>	Leave During Probation	State in employment contracts whether leave accrues during probation and under what conditions it may be taken. Ambiguity creates legal exposure and employee dissatisfaction.	

04. Working Conditions & Workplace Health and Safety

	Compliance Item	Key Details & Requirements	Status / Notes
<input type="checkbox"/>	Working Hours Compliance	Standard hours: maximum 8 hours per day and 48 hours per week [Labour Act]. Every employee is entitled to at least one full rest day per week. Shift arrangements must be documented and agreed in writing.	
<input type="checkbox"/>	Overtime Policy	Where employees work beyond standard hours, an overtime policy must exist and be documented. Overtime rates must be specified in contracts or the HR Policy Manual. Overtime cannot be compelled without reasonable notice.	
<input type="checkbox"/>	Workplace Health & Safety Policy	Employers have a statutory duty to provide a safe and healthy work environment [Employees Compensation Act 2010; Factories Act Cap F1]. A documented H&S policy must be in place, communicated, and reviewed annually.	
<input type="checkbox"/>	Workplace Risk Assessment	Conduct and document periodic workplace hazard and risk assessments — especially in manufacturing, construction, logistics, or any environment with physical risk to staff. Record and act on findings.	
<input type="checkbox"/>	First Aid Provisions	Maintain an adequate first aid kit on all business premises. Designate at least one trained first-aider per workplace location. First aid materials must be restocked regularly and accessible to all staff.	
<input type="checkbox"/>	Fire Safety & Emergency Procedures	Install and service fire extinguishers per legal requirements. Emergency exits must be clearly marked and unobstructed. Conduct at least one fire evacuation drill per year. Display emergency contacts prominently.	
<input type="checkbox"/>	Remote / Hybrid Work Policy	If employees work remotely or on a hybrid basis, document a remote work policy covering: equipment provision, data security obligations, availability expectations, performance monitoring, and health & safety responsibilities.	

05. Data Protection & Employee Privacy (NDPA 2023 / GAID 2025)

	Compliance Item	Key Details & Requirements	Status / Notes
<input type="checkbox"/>	Employee Privacy Notice	Issue a clear, written Privacy Notice to all employees explaining: what personal data you collect, the lawful basis for processing, how data is stored, who has access, how long it is retained, and employees' rights under the Nigeria Data Protection Act (NDPA) 2023.	
<input type="checkbox"/>	Data Protection Clause in Employment Contracts	Include a data protection clause in all employment contracts, establishing a lawful basis for processing employee data for payroll, HR administration, statutory compliance, and business operations.	
<input type="checkbox"/>	Data Protection Officer (DPO) Appointment	Appoint a DPO if your organisation qualifies as a Data Controller of Major Importance under the NDPA. The DPO may be internal or an outsourced NDPC-licensed practice. Even where not mandatory, it is strong governance practice.	
<input type="checkbox"/>	Secure Storage of Employee Records	Employee personal data — files, payroll data, health records, ID documents — must be held securely. Physical files in locked cabinets; digital files behind role-based access controls with audit logs.	
<input type="checkbox"/>	Data Retention & Deletion Policy	Define how long employee data is retained post-termination (recommended: 6–7 years to satisfy FIRS, pension, and Labour Act audit obligations). Data must be deleted or anonymised at the end of the retention period.	
<input type="checkbox"/>	Cross-Border Data Transfer Compliance	If employee data is processed by systems or vendors outside Nigeria (e.g., cloud-based HR platforms, payroll software), ensure NDPA-compliant safeguards are documented and in place. Employee consent or NDPC approval may be required.	
<input type="checkbox"/>	NDPC Registration (if applicable)	Organisations that qualify as Data Controllers of Major Importance must register with the Nigeria Data Protection Commission (NDPC) within 6 months of qualifying. Seek legal advice to assess your threshold.	

06. Discipline, Grievance & Anti-Harassment

	Compliance Item	Key Details & Requirements	Status / Notes
<input type="checkbox"/>	Documented Disciplinary Procedure	A written disciplinary procedure covering: verbal warning, written warning, final written warning, and dismissal. Employees must be informed of charges in writing and given a fair opportunity to respond before any action is taken.	
<input type="checkbox"/>	Formal Grievance Procedure	A documented process for employees to raise workplace grievances, with defined escalation steps, timelines for resolution, and confidentiality protections. Employees must be aware of how to use it.	
<input type="checkbox"/>	Anti-Harassment & Anti-Bullying Policy	A zero-tolerance policy on harassment (including sexual harassment), bullying, and discrimination in the workplace. Define prohibited conduct, reporting channels, investigation process, and consequences.	

	Compliance Item	Key Details & Requirements	Status / Notes
		Required under Nigerian labour law and CAMA.	
<input type="checkbox"/>	Whistleblower / Speak-Up Policy	Employees must feel safe reporting misconduct without fear of retaliation. A documented speak-up policy with protected reporting channels is increasingly expected by enterprise clients and institutional investors.	
<input type="checkbox"/>	Equal Opportunity & Non-Discrimination Policy	Hiring, promotion, pay, and treatment must not discriminate on the basis of gender, religion, ethnicity, tribe, or disability. Document, communicate, and enforce this policy consistently across all HR decisions.	

07. Termination & Offboarding

	Compliance Item	Key Details & Requirements	Status / Notes
<input type="checkbox"/>	Notice Period Compliance	Statutory minimum notice periods [Labour Act, Section 11]: Under 3 months service = 1 day; 3 months–2 years = 1 week; 2–5 years = 2 weeks; Over 5 years = 1 month. Contracts may specify longer periods. Payment in lieu of notice is permissible.	
<input type="checkbox"/>	Final Salary & Outstanding Entitlements	On termination, pay all outstanding salary, accrued unused annual leave (in cash), and any other contractual entitlements within the final pay cycle. Withholding final pay is unlawful and actionable.	
<input type="checkbox"/>	Pension Transfer Notification	Notify the departing employee's PFA of the employment cessation date. Facilitate RSA portability so the employee's pension savings transfer seamlessly to their next employer.	
<input type="checkbox"/>	Exit Interview	Conduct a structured exit interview for every departure. Though not legally required, it captures valuable feedback, identifies turnover trends, and preserves goodwill. Record outcomes for HR strategy.	
<input type="checkbox"/>	Return of Company Property	Obtain a signed acknowledgement for the return of all company assets: access cards, laptops, keys, client files, uniforms, and proprietary materials. Revoke all system access on or before the last working day.	
<input type="checkbox"/>	Employment Reference Policy	Establish a policy on providing references. Recommended practice: factual references only (dates of employment, role held, responsibilities) to minimise defamation exposure. Designate who is authorised to issue references.	
<input type="checkbox"/>	Post-Termination Obligation Enforcement	Enforce post-termination clauses (confidentiality, non-solicitation of clients/staff) per the employment contract and Nigerian contract law. Note: overly broad non-compete clauses may be unenforceable in Nigeria.	

08. Record Keeping & HR Administration

	Compliance Item	Key Details & Requirements	Status / Notes
<input type="checkbox"/>	Employee Personnel Files	Maintain a complete personnel file per employee (physical or secure digital): ID, qualifications, employment contract, offer letter, signed policies, payroll records, performance reviews, disciplinary history, and leave records.	
<input type="checkbox"/>	Payroll Records Retention	Retain detailed payroll records for a minimum of 6 years to satisfy FIRS and State Revenue Service audit requirements. Records must include gross pay, statutory deductions, and net pay per employee per month.	
<input type="checkbox"/>	Statutory Registration Certificates	Keep current and historical copies of all statutory registration certificates: CAC, NSITF, NHIS/HMO, ITF, PFA employer certificate, and annual Tax Clearance Certificates. Maintain a compliance calendar for renewal dates.	
<input type="checkbox"/>	Leave Register	Maintain a leave register or HR system tracking annual leave entitlement, days taken, and balance per employee each year. Include maternity leave and sick leave records.	
<input type="checkbox"/>	Training & Development Records	Document all training undertaken — internal, external, or statutory compliance training (data protection, H&S). Required for ITF training grant claims and employee development tracking.	
<input type="checkbox"/>	Policy Acknowledgement Logs	Retain signed copies of the Employee Handbook, Code of Conduct, and any policy updates. Proof of acknowledgement is critical evidence in disciplinary and unfair dismissal proceedings.	

09. Annual Compliance Calendar

Use this calendar as a recurring reminder for key statutory obligations throughout the year. Assign an owner and set diary reminders for each deadline.

Period / Deadline	Compliance Obligation	Owner / Notes
Monthly — by 10th	PAYE deduction & remittance to State Internal Revenue Service (SIRS)	
Monthly — within 7 working days of payroll	Pension contributions (10% employer + 8% employee) remitted to PFAS	
Monthly — last working day	NSITF Employees' Compensation contribution — 1% of gross monthly payroll	
Monthly	NHIS contributions remitted to HMO (employers with 10+ employees)	
Monthly	NHF deductions (2.5% of basic salary) remitted to FMBN	
31 January	Annual PAYE employer returns (Form A) filed with SIRS for prior year	
Within 3 months of financial year-end	ITF annual contribution — 1% of total annual payroll (5+ staff or ₦50m+ turnover)	
Annual (year-end)	Review and update employment contracts, HR policies, and salaries	
Annual	Renewal of statutory compliance certificates: NSITF, ITF, NHIS, Tax Clearance	
Annual	Workplace health & safety audit, risk assessment, and fire drill	
Annual	NDPA employee data audit and privacy notice review	
On New Hire	Register with PFA, HMO; update NSITF payroll; enrol for PAYE; issue contract within 3 months	
On Employee Exit	Notify PFA of termination; process final salary & leave pay-out; deregister from NHIS if applicable; revoke system access	

Important Disclaimers

1. Not Legal or Professional Advice

This checklist is provided for general informational and educational purposes only. It does not constitute legal, tax, HR, or professional advice of any kind. Nothing in this document should be relied upon as a substitute for tailored advice from a qualified Nigerian legal practitioner, chartered HR professional, or registered tax adviser.

2. No Warranty of Completeness or Accuracy

While every effort has been made to ensure accuracy as at the date of publication (2026), Nigerian legislation, regulatory thresholds, and minimum wage rates are subject to amendment by the National Assembly, federal agencies, and state governments. Garnet Ville Advisory & Consultants does not warrant that this document is complete, accurate, or current. Always verify requirements with the relevant regulatory authority or legal counsel before acting.

3. Applicability Varies by Business

HR compliance obligations in Nigeria vary by sector, business size, employee headcount, and applicable state laws. The thresholds and requirements referenced in this checklist reflect federal statutory minimums and may not capture sector-specific regulations applicable to banking, oil & gas, healthcare, telecommunications, or other regulated industries. Specialist advice is recommended for businesses in regulated sectors.

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