

Ghana

Exchange rate: US\$1.00 equals 9,020 cedi.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1965.

Current law: 1991 (social security).

Type of program: Social insurance system.

Coverage

Employed persons.

Voluntary coverage for the self-employed; nonemployed formerly insured persons may contribute voluntarily as if self-employed.

Special system for armed forces personnel.

Source of Funds

Insured person: 5% of earnings.

Self-employed person: 17.5% of income.

Employer: 12.5% of payroll.

Of the total 17.5% contribution, 2.5% finances medical benefits under Sickness and Maternity, below.

Government: None.

Qualifying Conditions

Old-age pension: Age 60 (ages 55 to 59 for underground mine workers, steel mill workers, and employees working in other types of hazardous employment) with at least 240 months of contributions.

Early pension: A reduced pension is payable from ages 55 to 59.

Pensions are not payable abroad.

Old-age grant: Payable to insured persons at the normal retirement age with less than 240 months of contributions.

Disability pension: Permanently disabled with 12 months of contributions in the last 36 months and incapable of any gainful employment. The disability must be certified by a qualified and recognized medical officer and the regional medical board.

Pensions are not payable abroad.

Disability grant: A lump sum is paid if the insured is ineligible for the pension.

Survivor pension: Payable for the death of the insured before retirement or a pensioner younger than age 72.

Eligible survivors are dependents designated by the insured.

Pensions are not payable abroad.

Old-Age Benefits

Old-age pension: The minimum pension is 50% of the insured's average annual salary in the 3 best years of earnings. The pension is increased by 1.5% for each 12-month period or 0.125% for each month of contributions beyond 240 months.

The minimum pension is 125,000 cedi a month.

The maximum pension must not exceed 80% of average earnings of the top 5% of contributing members.

The insured may opt to take 25% of the present value of the pension as a lump sum.

Early pension: A percentage of the full pension (from 60% to 90%) depending on the insured's age at retirement.

Benefit adjustment: Pensions are reviewed annually on the basis of the average increase in the salaries of contributors to the scheme.

Old-age grant: A lump sum equal to the value of total contributions, plus interest set at 50% of the prevailing government treasury rate.

Permanent Disability Benefits

Disability pension: The minimum pension is 50% of the insured's average annual salary in the 3 best years of earnings. The pension is increased by 1.5% for each 12-month period or by 0.125% for each month of contributions beyond 240 months.

Benefit adjustment: Pensions are reviewed annually on the basis of the average increase in the salaries of contributors to the scheme.

Disability grant: A lump sum equal to total contributions plus interest.

Survivor Benefits

If the insured was a pensioner at the time of death, a lump sum is paid calculated on the present value of the pension that would have been received after the date of death until age 72.

If the insured was not a pensioner but had 240 months of contributions, a lump sum is paid equal to the present value of 12 years' pension; with less than 240 months of contributions, the lump sum is reduced according to the number of months of contributions.

The present value of the pension is calculated using the prevailing treasury bill rate of interest.

Benefit adjustment: Pensions are reviewed annually on the basis of the average increase in the salaries of contributors to the scheme.

Administrative Organization

Ministry of Finance and Economic Planning (<http://www.ghana.gov.gh>) provides general supervision.

Social Security and National Insurance Trust (<http://www.ssnit.org.gh>) administers the program through a tripartite management board.

Sickness and Maternity

Regulatory Framework

First and current law: 2003 (health insurance), implemented in 2004.

Type of program: Social insurance system. Medical benefits only.

Coverage

All citizens.

Exclusions: Armed forces and police personnel.

Source of Funds

Insured person: See source of funds under Old Age, Disability, and Survivors, above (formal-sector employees); a flat-rate contribution of 6,000 cedi a month (informal-sector employees).

Self-employed person: See source of funds under Old Age, Disability, and Survivors, above.

Employer: See source of funds under Old Age, Disability, and Survivors, above.

Government: The cost of benefits for the aged, the needy, and children up to age 18 provided that both parents have paid the annual contribution.

Qualifying Conditions

Cash sickness and maternity benefits: No statutory benefits are provided.

Medical benefits: Resident in Ghana.

Sickness and Maternity Benefits

Sickness benefit: No benefits are provided.

Maternity benefit: No benefits are provided.

Workers' Medical Benefits

Medical benefits are provided under the National Health Insurance program.

Dependents' Medical Benefits

Medical benefits are provided under the National Health Insurance program.

Administrative Organization

Social Security and National Insurance Trust (<http://www.ssnit.org.gh>) collects the contributions and transfers them to the National Health Insurance program.

Work Injury

Regulatory Framework

First law: 1940.

Current law: 1987 (workmen's compensation), with 1988 and 1994 amendments.

Type of program: Employer-liability system, normally involving insurance with a private carrier.

Coverage

Employed persons.

Exclusions: Armed forces personnel, casual workers, employers' family members, and agricultural employees working in enterprises with less than five workers.

Source of Funds

Insured person: None.

Self-employed person: Not applicable.

Employer: Total cost, met through the direct provision of benefits or the payment of insurance premiums.

Government: None.

Qualifying Conditions

Work injury benefits: The minimum qualifying period is 6 months.

Temporary Disability Benefits

The benefit is equal to the difference between the insured's earnings before the onset of disability and the actual or potential earnings after the onset of disability. The benefit is payable after a 5-day waiting period for up to 24 months; may be extended by up to 6 months by the Chief Labor Officer.

The benefit may be paid periodically or as a lump sum or by a combination of these methods, depending on the estimated duration of the disability.

Permanent Disability Benefits

For a total disability, a lump sum equal to 96 months of the insured's earnings.

Constant-attendance supplement: Equal to 25% of the total disability benefit.

Partial disability: A percentage of the full lump sum according to the assessed degree of disability.

Workers' Medical Benefits

Benefits include medical, surgical, hospital, and nursing care and the cost of medicines and appliances up to specified amounts.

Survivor Benefits

Survivor benefit: A lump sum equal to 60 months of the insured's earnings at the time of the work injury. The benefit is paid to the insured's dependents at the court's discretion; a reduced benefit is paid if the survivor was only partially dependent.

Funeral grant: If there are no dependents, the employer pays for the funeral; if there are dependents, the employer pays for the funeral up to a maximum.

Administrative Organization

Ministry of Mobilization and Social Welfare (Labor Department) enforces the law.

Employers may insure against liability with private insurance companies.