

## Ghana

Exchange rate: US\$1.00 equals 9,210 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 self-employed persons and nonemployed formerly insured persons.

Special system for armed forces personnel.

#### Source of Funds

**Insured person:** 5% of earnings; voluntary contributors, 17.5% of declared income.

Of the total 17.5% of earnings contributed by the insured person and employer, 2.5% finances medical benefits under Sickness and Maternity, below.

**Self-employed person:** 17.5% of declared income.

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

**Employer:** 12.5% of payroll.

Of the total 17.5% of earnings contributed by the insured person and employer, 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 paid from age 55.

Old-age pensions are not payable abroad.

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

**Disability pension:** The insured must be assessed as permanently disabled and incapable of any gainful employment with at least 12 months of contributions in the last 36 months. The disability must be certified by a qualified

and recognized medical officer and the regional medical board.

Disability pensions are not payable abroad.

**Disability grant:** A lump sum is paid if the insured does not satisfy the qualifying conditions for the disability pension.

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

Eligible survivors are dependents named by the deceased.

Survivor pensions are not payable abroad.

#### Old-Age Benefits

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

The minimum monthly pension is 150,000 cedi.

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 is paid, from 60% at age 55 to 90% at age 59.

Benefit adjustment: Benefits are reviewed annually, on the basis of the average increase in the wages of contributors to the scheme.

**Old-age grant:** A lump sum is paid 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 equal to 50% of the insured's average annual earnings in the 3 best years of earnings. The pension is increased by 1.5% of average earnings for each 12-month period or by 0.125% of average earnings for each month of contributions exceeding 240 months.

Benefit adjustment: Benefits are reviewed annually, on the basis of the average increase in the wages of contributors to the scheme.

**Disability grant:** A lump sum is paid 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 at least 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:** Benefits are reviewed annually, on the basis of the average increase in the wages 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.com>) administers the program through a tripartite management board.

### **Sickness and Maternity**

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#### **Regulatory Framework**

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

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

#### **Coverage**

All citizens of Ghana.

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:** Must reside in Ghana.

#### **Sickness and Maternity Benefits**

**Sickness benefit:** No statutory benefits are provided.

**Maternity benefit:** No statutory 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.com>) collects the contributions and transfers them to the National Health Insurance program.

### **Work Injury**

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#### **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:** The total cost is met through the direct provision of benefits or the payment of insurance premiums.

**Government:** None.

#### **Qualifying Conditions**

**Work injury benefits:** The insured must have at least 6 months of coverage.

#### **Temporary Disability Benefits**

The benefit is equal to the difference between the insured's earnings before the disability began and the actual or potential earnings after the disability began. The benefit is paid 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.

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### **Permanent Disability Benefits**

If the insured is assessed as totally disabled, a lump sum is paid 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 is paid 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 is paid 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.