

## Ghana

Exchange rate: US\$1.00 = 1.45 cedi.

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1965.

**Current law:** 2008 (national pensions), implemented in 2010.

**Type of program:** Social insurance system and mandatory occupational system.

Note: The two-pillar system is mandatory for persons who were younger than age 55 in 2010 and voluntary for those aged 55 and older in 2010.

#### Coverage

Employed persons.

Voluntary coverage for self-employed persons and previously insured persons who are unemployed.

Special system for armed forces personnel.

#### Source of Funds

**Insured person:** 5.5% of earnings; 18.5% of declared income for voluntary contributors.

Of the total 18.5% of earnings contributed by the insured and the employer, 2.5% finances medical benefits under Sickness and Maternity and 5% finances the mandatory occupational pension scheme.

**Self-employed person:** 18.5% of declared income.

Of the total 18.5% of earnings contributed, 2.5% finances medical benefits under Sickness and Maternity and 5% finances the mandatory occupational pension scheme.

**Employer:** 13% of payroll.

Of the total 18.5% of earnings contributed by the insured and the employer, 2.5% finances medical benefits under Sickness and Maternity and 5% finances the mandatory occupational pension scheme.

**Government:** None.

#### Qualifying Conditions

##### Old-age pension

*Social insurance:* Age 60 (age 55 for employees working under hazardous conditions) with at least 180 months of contributions.

Early pension: Age 55 with at least 180 months of contributions.

Old-age pensions are not payable abroad.

Old-age grant: Paid to insured persons at the normal retirement age with less than 180 months of contributions.

*Mandatory occupational pension:* Age 60.

Early pension: Age 50 and unemployed or self-employed; any age if permanently emigrating or retired before age 50 according to the terms and conditions of employment.

##### Disability pension

*Social insurance:* Paid if the insured is assessed with a permanent disability and incapacity for any gainful employment with at least 12 months of contributions in the last 36 months. The disability must be assessed by a qualified and recognized medical officer and certified by a regional medical board.

Disability pensions are not payable abroad.

Disability grant: Paid if the insured does not meet the qualifying conditions for the disability pension under the social insurance scheme.

*Mandatory occupational pension:* Paid if the insured retires or leaves the workforce as a result of a total or permanent disability.

##### Survivor grant

*Social insurance:* Paid if the insured dies before retirement or was younger than age 75.

Eligible survivors are dependents named by the deceased.

Survivor grants are not payable abroad.

*Mandatory occupational pension:* Paid if the insured dies before retirement.

Eligible survivors are named by the deceased; if there are no named beneficiaries, eligible survivors are persons specified in the rules of the scheme.

#### Old-Age Benefits

##### Old-age pension

*Social insurance:* The pension is 37.5% of the insured's average annual earnings in the three best years of earnings. The pension is increased by 0.9% of the average earnings for each 12-month period or 0.075% of average earnings for each month of contributions exceeding 180 months.

The minimum monthly pension is 45.06 cedi.

Early pension: From 60% (age 55) to 90% (age 59) of the full pension is paid.

Benefit adjustment: Benefits are reviewed annually and may be adjusted based on the average increase in the wages of contributors to the scheme.

Old-age grant: A lump sum of the value of total contributions plus interest is paid. The interest rate is set at 75% of the prevailing government Treasury bill rate.

*Mandatory occupational pension:* A lump sum of the value of total contributions plus interest is paid.

*Early pension:* A lump sum of the value of total contributions plus interest is paid.

### **Permanent Disability Benefits**

#### **Disability pension**

*Social insurance:* The minimum pension is 37.5% of the insured's average annual earnings in the three best years of earnings. The pension is increased by 0.9% of average earnings for each 12-month period or by 0.075% of average earnings for each month of contributions exceeding 180 months.

*Benefit adjustment:* Benefits are reviewed annually and may be adjusted based on the average increase in the wages of contributors to the scheme.

*Disability grant:* A lump sum of the value of total contributions plus interest is paid. The interest rate is set at 75% of the prevailing government Treasury bill rate.

*Mandatory occupational pension:* A lump sum of the value of total contributions plus interest is paid.

### **Survivor Benefits**

#### **Survivor benefit**

*Social insurance:* If the insured was a pensioner at the time of death, the benefit is a lump sum of the present value of the pension that would have been paid from the insured's death until age 75. If the insured was not a pensioner, a lump sum of the present value of 15 years of pension is paid.

The present value of the pension is calculated using the prevailing monthly Treasury bill interest rate or 10%, whichever is lower.

*Benefit adjustment:* Benefits are reviewed annually and may be adjusted based on the average increase in the wages of contributors to the scheme.

*Mandatory occupational pension:* A lump sum of the total value of contributions plus interest is paid.

### **Administrative Organization**

National Pensions Regulatory Authority (<http://npra.gov.gh/site/>) provides general supervision.

Social Security and National Insurance Trust (<http://www.ssnit.com>) administers the social insurance scheme through a tripartite management board.

Private trustees approved by the National Pensions Regulatory Authority, with the assistance of registered pension fund managers and custodians, administer the mandatory occupational pensions scheme.

## **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.

### **Source of Funds**

**Insured person:** See source of funds under Old Age, Disability, and Survivors (formal-sector employees); a flat-rate contribution of 7.20 to 48 cedi a month (informal-sector employees), based on a means test.

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

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

**Government:** The cost of benefits for the aged, the needy, and children up to age 18 if 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

### Regulatory Framework

**First law:** 1940.

**Current law:** 1987 (workmen's compensation).

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

### Coverage

Employed persons.

Exclusions: Armed forces personnel, self-employed persons, casual workers, employers' family members, and agricultural employees working in enterprises with fewer 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 six months of coverage.

### Temporary Disability Benefits

The benefit is 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 five-day waiting period for up to 24 months; may be extended up to six 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

**Permanent disability benefit:** If the insured is assessed with a total disability, a lump sum of 96 months of the insured's earnings is paid.

**Constant-attendance supplement:** If the insured requires the constant attendance of others to perform daily functions, 25% of the total disability benefit is paid.

**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 medicine and appliances up to specified amounts.

### Survivor Benefits

**Survivor benefit:** A lump sum of 60 months of the insured's earnings at the time of the work injury 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 the entire cost of the funeral; if there are dependents, the employer pays for the funeral, up to a maximum.

### Administrative Organization

Ministry of Ministry of Employment and Social Welfare (<http://www.ghana.gov.gh>) enforces the law.

Employers may insure against liability with private insurance companies.