

Ghana

Exchange rate: US\$1.00 = 3.21 cedi.

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1965.

Current laws: 1972 (social security) and 2008 (national pensions), implemented in 2010.

Type of program: Social insurance and mandatory occupational system.

Coverage

Employed persons.

Voluntary coverage for employed persons who were aged 50 or older in 2010; self-employed persons; and previously insured unemployed persons.

Special system for military personnel.

Source of Funds

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

Of the combined insured person and employer contributions, 5% finances the mandatory occupational pension scheme and 2.5% finances medical benefits under Sickness and Maternity.

Self-employed person: 11% of declared income (social insurance); 5% (mandatory occupational pension).

Employer: 13% of payroll.

Of the combined insured person and employer contributions, 5% finances the mandatory occupational pension scheme and 2.5% finances medical benefits under Sickness and Maternity.

Government: None.

Qualifying Conditions

Old-age pension

Social insurance: Age 60 (age 55 if 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: Age 60 with less than 180 months of contributions.

Mandatory occupational pension: Age 60.

Early pension: Age 55 and unemployed or self-employed; any age if permanently emigrating or retired before age 55 according to the terms and conditions of employment.

Disability pension

Social insurance: 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 that includes a Social Security and National Insurance Trust medical officer.

Disability pensions are not payable abroad.

Disability grant: Paid if the insured does not qualify for the disability pension (social insurance).

Mandatory occupational pension: Must be assessed with a total or permanent disability.

Survivor grant

Social insurance: Paid if the insured was younger than age 75 at the time of death.

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 include persons specified in the rules of the scheme.

Old-Age Benefits

Old-age pension

Social insurance: 37.5% of the insured's average annual earnings in the three best years of earnings is paid. The pension is increased by 1.125% of average earnings for each additional 12-month period or 0.09375% of average earnings for each additional month) of contributions exceeding 180 months.

The minimum monthly pension is 200 cedi.

The maximum pension is 60% of the insured's average annual earnings in the best three years of earnings.

Early pension: From 37.5% (age 55) to 60% (age 59) of the full pension is paid.

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

Old-age grant: A lump sum of the present 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 present value of total contributions plus interest is paid.

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

Permanent Disability Benefits

Disability pension

Social insurance: 37.5% of the insured's average annual earnings in the three best years of earnings is paid. The pension is increased by 1.125% of average earnings for each additional 12-month period or 0.09375% of average earnings for each additional month) of contributions exceeding 180 months.

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

Disability grant: A lump sum of the present 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 present value of total contributions plus interest is paid.

Survivor Benefits

Survivor benefit

Social insurance: If the insured received an old-age or disability pension 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 the 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 according to 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.org.gh>) 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

Regulatory Framework

First law: 1972 (social security).

Current laws: 2003 (health insurance) implemented in 2004; 2003 (labor code).

Type of program: Social insurance (cash sickness and medical benefits) and employer-liability (cash maternity benefits) system.

Coverage

Cash maternity benefits (employer liability): Employed persons.

Cash sickness and medical benefits: Residents of Ghana.

Source of Funds

Insured person

Cash maternity benefits (employer liability): None.

Cash sickness and medical benefits (social insurance): 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. An additional 7.20 cedi a year (medical insurance); pensioners and persons over age 70 are exempt.

Self-employed person

Cash maternity benefits (employer liability): Not applicable.

Cash sickness and medical benefits (social insurance): 2.5% of declared income.

Employer

Cash maternity benefits (employer liability): The total cost.

Cash sickness and medical benefits (social insurance): See source of funds under Old Age, Disability, and Survivors.

Government

Cash maternity benefits (employer liability): None.

Cash sickness and medical benefits (social insurance): The cost of benefits for the aged, the needy, and children up to age 18 if both parents have paid the annual premium. Additional financing from 2.5% value added tax on general goods and services.

Qualifying Conditions

Cash maternity benefits (employer liability): Must be currently employed.

Cash sickness and medical benefits (social insurance): Must reside in Ghana.

Sickness and Maternity Benefits

Cash maternity benefits (employer liability): 100% of the employee's daily earnings is paid for 12 weeks; 14 weeks in the case of a multiple birth or serious complications. The employee is also entitled to up to one hour a day for nursing breaks.

Sickness benefit (social insurance): 40 pesewas (100 pesewas equals 1 cedi) a day are paid to an employee receiving 99 pesewas or less a day, 50 pesewas to an employee receiving between 1 cedi and 1 cedi and 29 pesewas a day, 60 pesewas to an employee receiving 1 cedi and 30 pesewas or more a day for a maximum of 26 weeks.

Workers' Medical Benefits

Medical benefits (social insurance): The National Health Insurance program provides medical benefits.

Dependents' Medical Benefits

Medical benefits for dependents are the same as those for the insured.

Administrative Organization

Cash maternity benefits (employer liability): The Ministry of Employment and Labour Relations (<http://www.ghana.gov.gh/>) provides general supervision.

Cash sickness benefits and medical benefits (social insurance): 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).

Type of program: Employer-liability system through a private carrier.

Coverage

Employed persons.

Exclusions: Military 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 (provides benefits directly to employees).

Government: None.

Qualifying Conditions

Work injury benefits: 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 for up to six months.

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

Permanent Disability Benefits

If 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 the work injury occurred or the occupational disease began 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 Labour Relations (<http://www.ghana.gov.gh>) enforces the law.

Employers insure against liability with private insurance companies.

Unemployment

Regulatory Framework

Under the 2003 Labor Act the employer pays any remuneration earned by the worker before termination, any deferred pay due to the worker prior to termination, and any compensation due to the worker related to a sickness or an accident.