

Ghana

Exchange rate: US\$1.00 = 4.82 cedi.

Old Age, Disability, and Survivors

Regulatory Framework

First laws: 1965 (provident fund), 1972 (social security), and 1991 (pensions).

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

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

Coverage

Employed persons, including public-sector employees not covered by a special system.

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

Special systems for military personnel and high-ranking government officials.

Source of Funds

Insured person: 5.5% of gross monthly covered earnings; 18.5% of monthly covered declared income for the voluntarily insured.

The minimum monthly earnings used to calculate contributions are the national monthly minimum wage.

The national monthly minimum wage is 287.55 cedi.

The maximum monthly earnings used to calculate contributions are 25,000 cedi.

Of the combined insured person and employer contributions, 11% of earnings finances the social insurance benefits under Old Age, Disability and Survivors; 5% finances mandatory occupational pensions; and 2.5% finances medical benefits.

Self-employed person: 18.5% of monthly covered declared income.

The minimum monthly earnings used to calculate contributions are the national monthly minimum wage.

The national monthly minimum wage is 287.55 cedi.

The maximum monthly earnings used to calculate contributions are 25,000 cedi.

Of the total self-employed person's contributions, 11% of earnings finances the social insurance benefits under Old Age, Disability and Survivors; 5% finances mandatory occupational pensions; and 2.5% finances medical benefits.

Employer: 13% of gross monthly covered payroll.

The minimum monthly earnings used to calculate contributions are the national monthly minimum wage.

The national monthly minimum wage is 287.55 cedi.

The maximum monthly earnings used to calculate contributions are 25,000 cedi.

Of the combined insured person and employer contributions, 11% of earnings finances the social insurance benefits under Old Age, Disability and Survivors; 5% finances mandatory occupational pensions; and 2.5% finances medical benefits.

Government: None; contributes as an employer.

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.

The old-age pension is not payable abroad.

Old-age grant (social insurance): Age 60 (age 55 if working under hazardous conditions) with less than 180 months of contributions.

Old-age benefit (mandatory occupational pension): Age 60 (age 55 if working under hazardous conditions).

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

Disability pension (Invalidity Pension, social insurance): Must be assessed with a permanent physical or mental incapacity for any gainful employment and have at least 12 months of contributions in the 36 months before the disability began.

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.

The disability pension is not payable abroad.

Disability benefit (mandatory occupational pension): Must be assessed with a total or permanent disability.

Survivor grant (Survivor's Benefit, social insurance): Paid to named survivors if the deceased was younger than age 75 at the time of death.

Eligible survivors include a widow(er), orphans, parents, and certain other family members named by the deceased. The survivors must have been partially or fully dependent on the deceased.

The survivor grant is not payable abroad.

Survivor benefit (mandatory occupational pension):

Paid if the insured dies before reaching the normal retirement age.

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

The survivor benefit is not payable abroad.

Old-Age Benefits

Old-age pension (social insurance): 37.5% of the insured's average annual earnings in the three highest years of earnings plus 0.09375% of average annual earnings for each month of contributions exceeding 180 months is paid.

The minimum monthly old-age pension is 300 cedi.

The maximum annual old-age pension is 60% of the insured's average annual earnings in the highest three years of earnings.

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

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

Old-age grant (social insurance): A lump sum of total employee contributions plus accrued interest is paid.

The interest rate is set at 75% of the 91-day Treasury bill rate.

The 91-day Treasury bill rate is 14.7438% (as of July 1, 2019).

Old-age benefit (mandatory occupational pension): A lump sum of total employee and employer contributions plus accrued interest is paid.

Early benefit: Calculated in the same way as the old-age benefit.

Permanent Disability Benefits

Disability pension (Invalidity Pension, social insurance): 37.5% of the insured's average annual earnings in the three highest years of earnings plus 0.09375% of average annual earnings for each month of contributions exceeding 180 months is paid.

The minimum monthly disability pension is 300 cedi.

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

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

Disability benefit (mandatory occupational pension): A lump sum of total employee and employer contributions plus accrued interest is paid.

Survivor Benefits

Survivor grant (Survivor's Benefit, social insurance): If the deceased was receiving 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 date of death until age 75. If the deceased 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 91-day Treasury bill interest rate or 10%, whichever is lower.

The 91-day Treasury bill rate is 14.7438% (as of July 1, 2019).

Survivor benefit (mandatory occupational pension): A lump sum of total employee and employer contributions plus accrued interest is paid.

Administrative Organization

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

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

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

Sickness and Maternity

Regulatory Framework

First laws: 1965 (provident fund), 1967 (labor code), and 2003 (health insurance).

Current laws: 2003 (labor code) and 2012 (health insurance).

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

Coverage

Social insurance (medical benefits): Residents of Ghana. Exclusions: Military and police personnel.

Employer liability (cash maternity benefit): Employed persons, including public-sector employees not covered by a special system.

Exclusions: Self-employed persons.

Special systems for certain civil servants, military, police, and correctional personnel.

Source of Funds

Insured person

Social insurance (medical benefits): See source of funds under Old Age, Disability, and Survivors; none for pensioners and persons aged 70 or older.

Employer liability (cash maternity benefit): None.

Self-employed person

Social insurance (medical benefits): See source of funds under Old Age, Disability, and Survivors. If the insured is not covered by social insurance under Old Age, Disability, and Survivors, an annual premium of 7.20 to 48 cedi.

Employer liability (cash maternity benefit): Not applicable.

Employer

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

Employer liability (cash maternity benefits): The total cost.

Government

Social insurance (medical benefits): Subsidizes the cost of benefits for certain groups of insured persons, such as pregnant women, older persons, social assistance beneficiaries, persons with disabilities, and children younger than age 18 if both parents have paid the annual premium; additional financing from a 2.5% value added tax on general goods and services.

Employer liability (cash maternity benefit): None; contributes as an employer.

Qualifying Conditions

Cash maternity benefit (employer liability): There is no minimum qualifying period. Must provide a medical certificate.

Medical benefits (social insurance): There is no minimum qualifying period. If the insured loses and then regains coverage, there is one-month waiting period before benefits can be claimed again.

Sickness and Maternity Benefits

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

Workers' Medical Benefits

The National Health Insurance program provides a range of healthcare services free of charge, including inpatient and outpatient services, emergency care, eye treatment, and dental and maternity care. The program does not cover costs for rehabilitation (other than physiotherapy), prostheses, certain surgeries (including organ transplants

and cosmetic surgeries), antiretroviral treatment for HIV, dialysis, and cancer treatment (other than cervical or breast cancer).

Dependents' Medical Benefits

Benefits for dependents are the same as those for the insured.

Administrative Organization

Social Security and National Insurance Trust (<https://www.ssniit.org.gh/>) collects contributions for the social insurance program and transfers them to the National Health Insurance Authority (<http://nhis.gov.gh/nhia.aspx/>).

Ministry of Employment and Labour Relations (<http://www.melr.gov.gh/>) provides general supervision of the employer-liability program.

Employers pay cash maternity benefits directly to employees.

Work Injury

Regulatory Framework

First law: 1940.

Current law: 1987 (workmen's compensation).

Type of program: Employer-liability system through private carriers.

Coverage

Employed persons.

Exclusions: Self-employed persons, military personnel, casual workers, family labor, and agricultural employees working in firms 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 or pays insurance premiums).

Government: None; contributes as an employer.

Qualifying Conditions

Must be assessed with a work injury or occupational disease. Occupational diseases are covered for certain occupations, according to a schedule in law. For occupational diseases, the incapacity or death must have occurred during employment or within 12 months after ceasing employment.

Temporary Disability Benefits

The difference between the employee's earnings before the incapacity began and his or her actual or potential earnings after the incapacity began is paid. 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 as a combination of both, depending on the degree and estimated duration of the disability.

Permanent Disability Benefits

Permanent disability benefit: For a total (100%) disability, a lump sum of 96 months of the employee's earnings before the disability began is paid.

Constant-attendance supplement: 25% of the permanent disability benefit is paid if the insured requires the constant attendance of others to perform daily functions.

Partial disability: For an assessed degree of disability of less than 100%, a percentage of the full permanent disability benefit is paid based on the assessed degree of disability and a schedule in law.

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 employee's earnings when the work injury occurred or occupational disease began is paid, minus the value of any

disability benefits paid for the same work injury or occupational disease before the deceased's death.

The benefit is paid to the employee's dependents as determined by a court; a reduced benefit is paid if the survivor was only partially dependent.

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

Administrative Organization

Ministry of Employment and Labour Relations (<http://www.melr.gov.gh/>) enforces the law.

Individual employers insure work injury liability through private carriers or pay compensation directly to employees or dependent survivors.

Unemployment

Regulatory Framework

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