

## Ghana

Exchange rate: U.S.\$1.00 equals 8,250 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 affiliation for the self-employed; nonemployed formerly insured persons may contribute voluntarily as if self-employed.

Special system for members of the armed forces.

#### Source of Funds

**Insured person:** 5% of earnings; self-employed, 17.5% of income.

**Employer:** 12.5% of payroll.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Age 60 (ages 55 to 59 for underground mine workers, steel mill workers, or employees engaged 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.

**Old-age grant:** For insured persons with insufficient contributions for the old-age benefit.

**Disability benefit:** Permanently disabled with 12 months of contributions in the last 36 months and incapable of any gainful employment.

**Survivor benefit:** The death of the insured person before age 72.

#### Old-Age Benefits

**Old-age benefit:** The minimum pension is 50% of the average annual salary in the 3 best years of earnings. The pension is increased by 1.5 percentage points for each 12-month period of contributions beyond 240 months.

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

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

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

#### Permanent Disability Benefits

The minimum pension is 50% of the average annual salary for the 3 best years of earnings. The pension is increased by 1.5 percentage points for each 12-month period of contributions beyond 240 months.

#### Survivor Benefits

If the insured was a pensioner at the time of death, the benefit is payable as a lump sum 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 benefit is payable equal to the present value of 12 years' pension; with less than 240 months of contributions, a lump sum equal to the present proportional value of 12 years' pension. (The present value of the pension is calculated using 50% of the prevailing treasury bill rate of interest.) The pension is payable to named dependents.

#### Administrative Organization

Ministry of Finance and Economic Planning provides general supervision.

Social Security and National Insurance Trust administers the program through a tripartite management board.

#### Sickness and Maternity

##### Sickness and Maternity Benefits

No statutory benefits are provided.

Employers can provide medical care for employees and their dependents through collective agreements.

#### Work Injury

##### Regulatory Framework

**First law:** 1940.

**Current law:** 1987.

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

##### Coverage

Employed persons.

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### **Source of Funds**

**Insured person:** None.

**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 the difference between 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 at the discretion of the Chief Labor Officer.

### **Permanent Disability Benefits**

A lump sum of 96 months' earnings on the date of certification of permanent disability, if totally disabled.

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

Partial disability: A lump sum proportionate to the assessed degree of disability. Benefit payments are made according to the schedule in law.

### **Workers' Medical Benefits**

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

### **Survivor Benefits**

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

### **Administrative Organization**

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

Employers may insure the assessed liability with private insurance companies.